

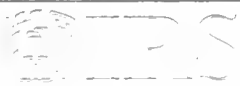


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Individual Income Tax Returns 2

RETURNS FILED & TAX COMPUTATIONS &
 SALARIES & WAGES & TAXABLE INCOME -
 EXEMPTIONS & STANDARD DEDUCTIONS
 ADJUSTED GROSS INCOME & INCOME TAX
 NET GAINS & NET LOSSES - TAX LIABILITY
 ITEMIZED DEDUCTIONS & ADJUSTMENTS -
 - IRAS & CAPITAL STATUS - DEPENDENTS
 INTEREST - ALTERNATIVE MINIMUM TAX
 NONTAXABLE RETURNS - TAX REFUNDS
 TAX CREDITS - SOURCES OF INCOME &
 EARNED INCOME CREDIT AND DIVIDENDS
 STATEMENTS OF ACCOUNTS


 Department of the Treasury
 Internal Revenue Service

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Department
Of the
Treasury
**Internal
Revenue
Service**

Individual Income Tax Returns 2005

Publication 1304 (Rev. 07-2007)

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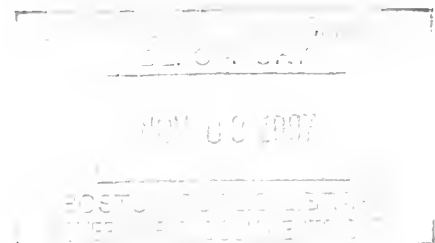
This report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, modified income tax, tax credits, self-employment tax, and tax payments. Classifications are by tax status, size of adjusted gross income, marital status, and type of tax computation.

Additional unpublished information from individual income tax returns is available on a reimbursable basis. The Statistics of Income Division also makes the results of its studies available on the Internet. You can sample our products by contacting our Internet site at <http://www.irs.gov/taxstats>. Most of the tables included in this publication are available on the Internet site in Microsoft Excel format.

The Statistics of Income Division's Statistical Information Services (SIS) staff provides data, statistical analysis, and information in response to requests from customers. In addition, the SIS staff provides data referral services, acts as liaison between requesters and IRS analysts on technical questions, and arranges for sales and transmittals of publications and published tables. The SIS staff can be reached by telephone on (202) 874-0410, or by fax on (202) 874-0922.

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Section 1

Introduction and Changes in Law

Introduction

This report contains complete individual income tax data for Tax Year 2005. The statistics are based on a stratified probability sample of individual income tax returns, selected before audit, which represents a population of over 134 million Forms 1040, 1040A, and 1040EZ, including electronic returns, filed for Tax Year 2005.

Table A on the following pages presents selected income and tax items for Tax Years 2001 through 2005 as they appear on the forms and provides the percentage change for each item between 2004 and 2005. When comparing income and tax items from different years, it is important to consider any changes in the tax law, which may have affected the data. These tax law changes are explained below. To assist year-to-year comparisons, Table A includes the items in both current dollars and constant 1990 dollars, as adjusted by the U.S. Department of Labor's consumer price index (CPI-U).

For Tax Year 2005, the number of individual tax returns filed increased by just over 2.1 million, or 1.6 percent. Adjusted gross income (AGI) rose \$633.7 billion, or 9.3 percent from 2004 to 2005, compared to the 9.4 percent increase recorded from 2003 to 2004. Total tax liability increased 12.1 percent to \$986.5 billion. Several components of AGI showed large increases between 2004 and 2005, notably net capital gains less loss increased 40.6 percent and taxable interest increased 29.5 percent.

This report is divided into six sections. Section 1 explains the requirements for filing, changes in the law for 2005, and the 1979 Income Concept. Section 2 describes the sample of individual income tax returns upon which the statistics are based. Section 3 contains tables of detailed aggregate statistics on individual tax returns. Section 4 provides explanations of the terms used in the tables. The tax forms appear in Section 5, and Section 6 contains a subject index.

Table A--Selected Income and Tax Items for Selected Years, 2001-2005, in Current and Constant 1990 Dollars [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Current dollars					Percent change, 2004 to 2005
	2001	2002	2003	2004	2005	
	(1)	(2)	(3)	(4)	(5)	(6)
All returns.....	130,255,237	130,076,443	130,423,626	132,226,042	134,372,678	1.6
Electronically filed returns *.....	46,861,487	52,798,823	61,154,815	68,380,152	73,471,852	7.4
Form 1040 returns.....	80,500,011	80,748,948	80,420,043	80,603,689	81,497,559	1.1
Electronically filed returns.....	20,811,215	24,843,419	30,472,170	34,900,171	39,465,536	13.1
Form 1040A returns.....	28,293,817	28,714,328	29,631,494	30,572,631	31,326,141	2.5
Electronically filed returns.....	15,007,182	16,839,599	18,910,697	20,771,324	22,224,396	7.0
Form 1040EZ returns.....	21,461,409	20,613,167	20,372,089	21,049,722	21,548,977	2.4
Electronically filed returns *.....	11,043,091	11,115,806	11,771,948	12,708,657	11,781,921	-7.3
Salaries and wages						
Number of returns.....	111,227,450	110,938,441	110,890,993	112,369,812	114,070,880	1.5
Amount.....	4,565,229,218	4,559,690,903	4,649,900,493	4,921,806,344	5,155,407,373	4.7
Taxable interest received						
Number of returns.....	67,479,816	63,584,806	59,459,344	57,605,888	59,249,357	2.9
Amount.....	198,177,814	149,024,899	127,159,692	125,474,158	162,432,720	29.5
Tax-exempt interest						
Number of returns.....	4,557,381	4,453,829	4,524,955	4,416,851	4,497,973	1.8
Amount.....	55,582,376	54,564,456	53,750,230	52,031,763	57,693,924	10.9
Ordinary dividends in AGI						
Number of returns.....	32,621,151	31,409,759	30,475,097	30,687,178	31,175,376	1.6
Amount.....	119,533,324	103,241,332	115,141,232	146,838,808	166,482,004	13.4
Qualified dividends in AGI						
Number of returns.....	N/A	N/A	22,449,379	24,549,867	25,853,686	5.3
Amount.....	N/A	N/A	80,994,736	110,500,411	118,980,474	7.7
State income tax refund						
Number of returns.....	22,132,023	23,838,529	24,655,907	23,621,296	22,110,769	-6.4
Amount.....	21,219,499	23,875,813	23,425,623	22,735,928	22,204,760	-2.3
Alimony received						
Number of returns.....	437,859	425,963	431,368	439,608	457,488	4.1
Amount.....	6,685,857	6,523,019	6,470,712	7,262,338	7,979,270	9.9
Business or profession net income, less loss						
Number of returns.....	18,018,349	18,597,305	19,415,648	20,252,079	21,057,329	4.0
Amount.....	216,772,496	220,783,572	229,655,285	247,217,287	269,701,056	9.1
Net capital gain in AGI less loss						
Number of returns.....	23,470,401	23,249,625	21,889,687	22,388,659	22,040,458	-1.6
Amount.....	325,168,963	238,368,458	294,021,717	471,735,648	663,057,140	40.6
Capital gain distributions reported on Form 1040						
Number of returns.....	2,486,027	939,523	1,095,371	2,878,263	4,155,219	44.4
Amount.....	1,358,488	420,312	332,293	1,925,990	4,958,078	157.4
Sales of property other than capital assets, net gain less loss						
Number of returns.....	1,615,884	1,728,377	1,753,860	1,749,934	1,777,203	1.6
Amount.....	-1,896,996	-2,386,530	-330,359	2,502,516	3,662,932	46.4
Total IRA distributions						
Number of returns.....	9,363,959	8,889,787	9,240,253	9,516,936	10,024,085	5.3
Amount.....	118,565,053	120,418,135	120,948,781	131,491,539	146,906,503	11.7
Taxable IRA distributions in AGI						
Number of returns.....	8,834,138	8,291,357	8,611,702	8,913,846	9,387,189	5.3
Amount.....	94,327,585	88,219,481	88,335,605	101,672,181	112,277,199	10.4
Total pensions and annuities						
Number of returns.....	24,317,375	24,857,470	24,767,067	25,130,018	25,352,088	0.9
Amount.....	532,924,324	561,031,602	565,420,626	627,664,241	685,308,391	9.2
Taxable pensions and annuities in AGI						
Number of returns.....	22,262,775	22,794,417	22,822,842	23,123,390	23,247,374	0.5
Amount.....	338,745,409	357,840,960	372,931,442	394,285,849	420,144,855	6.6
Rents, royalties, partnerships, estates, trusts, etc.						
Number of returns.....	14,542,983	14,683,765	14,824,475	15,191,999	15,510,991	2.1
Amount.....	268,224,205	278,192,647	295,698,600	357,378,135	447,047,895	25.1
Farm net income less loss						
Number of returns.....	2,006,871	1,995,073	1,997,116	2,004,898	1,981,249	-1.2
Amount.....	-11,004,781	-14,419,719	-12,371,492	-13,239,205	-12,168,786	8.1
Unemployment compensation in AGI						
Number of returns.....	8,799,885	10,334,639	10,065,230	9,094,911	7,887,700	-13.3
Amount.....	26,890,925	43,129,155	44,007,879	32,740,272	27,857,367	-14.9

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2001-2005, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Current dollars					Percent change, 2004 to 2005
	2001	2002	2003	2004	2005	
	(1)	(2)	(3)	(4)	(5)	(6)
Social security benefits (received)						
Number of returns.....	13,753,080	13,869,265	14,120,202	14,759,589	15,510,458	5.1
Amount.....	196,524,465	205,658,281	214,011,279	231,873,220	252,239,705	8.8
Taxable social security benefits in AGI						
Number of returns.....	10,779,279	10,702,502	10,975,002	11,691,859	12,660,754	8.3
Amount.....	93,559,363	93,459,494	97,768,201	110,462,387	124,829,069	13.0
Foreign earned income exclusion [2]						
Number of returns.....	292,006	316,931	306,393	295,313	303,940	2.9
Amount.....	13,944,765	14,936,779	15,076,406	15,446,376	16,275,890	5.4
Net operating loss [2]						
Number of returns.....	611,473	670,081	712,076	829,838	862,791	4.0
Amount.....	54,475,064	58,126,147	62,824,777	75,011,556	79,451,741	5.9
Other income, net gain less loss [2]						
Number of returns.....	5,610,987	5,467,631	5,703,893	5,891,550	6,811,025	15.6
Amount.....	19,508,967	19,100,950	21,289,227	23,197,673	26,863,382	15.8
Total income						
Number of returns.....	130,014,403	129,837,130	130,171,008	131,924,074	134,114,986	1.7
Amount.....	6,231,176,710	6,110,746,964	6,294,684,470	6,886,851,809	7,531,892,210	9.4
Educator expenses						
Number of returns.....	N/A	2,884,403	3,240,673	3,402,468	3,503,719	3.0
Amount.....	N/A	712,505	805,734	858,457	877,796	2.3
Certain business expenses of reservists, performing artists, and fee-basis government officials						
Number of returns.....	N/A	N/A	N/A	105,135	100,111	-4.8
Amount.....	N/A	N/A	N/A	252,597	285,073	12.9
Total taxpayer IRA adjustment						
Number of returns.....	3,448,457	3,277,671	3,418,494	3,330,763	3,256,066	-2.2
Amount.....	7,406,866	9,462,404	10,006,814	10,028,607	12,003,037	19.7
Student loan interest deduction						
Number of returns.....	4,405,667	6,640,784	6,953,370	7,527,249	8,072,896	7.2
Amount.....	2,711,733	4,659,546	4,409,816	4,398,734	5,052,720	14.9
Tuition and fees deduction						
Number of returns.....	N/A	3,444,941	3,571,154	4,710,253	4,696,013	-0.3
Amount.....	N/A	6,154,145	6,683,631	10,589,279	10,846,990	2.4
Health savings account deduction						
Number of returns.....	N/A	N/A	N/A	90,857	215,781	137.5
Amount.....	N/A	N/A	N/A	190,732	510,690	167.8
Moving expenses						
Number of returns.....	944,791	947,470	1,023,888	1,096,436	1,134,137	3.4
Amount.....	2,180,570	2,215,391	2,439,835	2,952,043	3,076,563	4.2
One-half of self-employment tax						
Number of returns.....	14,574,036	14,664,473	15,373,279	15,920,203	16,694,655	4.9
Amount.....	18,134,959	18,687,162	19,791,285	21,109,366	22,733,881	7.7
Self-employed health insurance						
Number of returns.....	3,559,792	3,571,152	3,802,277	3,883,687	3,901,082	0.4
Amount.....	8,177,397	10,494,247	16,454,211	18,457,063	19,645,889	6.4
Keogh retirement plan						
Number of returns.....	1,290,496	1,186,947	1,208,801	1,201,332	1,256,900	4.6
Amount.....	13,114,412	16,349,738	17,795,957	19,295,952	21,268,404	10.2
Penalty on early withdrawal of savings						
Number of returns.....	890,649	804,926	736,121	780,327	805,625	3.2
Amount.....	197,533	192,750	150,214	209,833	265,870	26.7
Alimony paid adjustment						
Number of returns.....	656,635	587,219	587,368	574,001	588,463	2.5
Amount.....	7,472,718	7,183,522	7,520,335	8,470,128	8,954,038	5.7
Domestic production activities deduction						
Number of returns.....	N/A	N/A	N/A	N/A	336,959	[7]
Amount.....	N/A	N/A	N/A	N/A	2,360,983	[7]
Foreign housing deductions						
Number of returns.....	4,122	2,074	1,491	3,352	2,417	-27.9
Amount.....	92,074	54,614	51,765	59,899	70,962	18.5
Other adjustments						
Number of returns.....	183,906	208,348	272,647	188,210	257,014	36.6
Amount.....	961,209	1,064,125	1,314,285	1,107,387	1,402,311	26.6
Total statutory adjustments						
Number of returns.....	23,497,092	28,911,078	30,382,069	32,153,965	33,591,124	4.5
Amount.....	60,572,768	77,161,432	87,575,677	98,046,679	109,396,547	11.6
Adjusted gross income or loss (AGI)						
Amount.....	6,170,603,942	6,033,585,532	6,207,108,793	6,788,805,130	7,422,495,663	9.3
Total itemized deductions						
Number of returns.....	44,562,307	45,647,551	43,949,591	46,335,237	47,755,427	3.1
Amount.....	884,528,260	898,047,320	901,864,834	998,238,457	1,121,810,935	12.4

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2001-2005, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Current dollars					Percent change, 2004 to 2005
	2001	2002	2003	2004	2005	
	(1)	(2)	(3)	(4)	(5)	(6)
Total standard deduction						
Number of returns	84,238,232	82,655,191	84,643,281	84,016,753	84,841,222	1.0
Amount	481,907,591	492,067,532	555,780,052	560,932,618	580,747,711	3.5
Basic standard deduction						
Number of returns	84,238,232	82,655,191	84,643,281	84,016,753	84,841,222	1.0
Amount	466,971,032	477,170,045	539,921,089	545,082,218	564,186,053	3.5
Additional standard deduction						
Number of returns	11,116,629	10,857,098	11,200,647	10,985,079	10,996,440	0.1
Amount	14,936,559	14,897,487	15,858,963	15,850,401	16,561,658	4.5
AGI less deductions						
Number of returns	115,862,109	114,976,167	114,402,877	116,042,570	118,115,885	1.8
Amount	4,910,329,307	4,760,885,833	4,873,784,147	5,360,753,836	5,859,016,944	9.3
Number of exemptions	256,186,046	258,716,374	261,126,373	263,896,304	269,043,070	2.0
Exemption amount	727,554,990	761,440,430	781,305,067	800,690,043	839,904,186	4.9
Taxable income						
Number of returns	104,174,655	102,275,969	101,392,812	102,737,959	104,330,653	1.6
Amount	4,268,506,425	4,096,127,651	4,200,218,439	4,670,165,637	5,137,165,874	10.0
Tax from table, rate schedules, etc.						
Number of returns	104,163,693	102,266,930	101,386,201	102,721,593	104,321,332	1.6
Amount	926,642,321	829,839,121	780,315,781	871,227,853	972,706,955	11.6
Additional taxes						
Number of returns	25,334	13,291	21,370	9,884	10,595	7.2
Amount	198,998	153,564	222,088	85,611	23,740	-72.3
Alternative minimum tax						
Number of returns	1,120,047	1,910,789	2,357,975	3,096,299	4,004,756	29.3
Amount	6,756,705	6,853,901	9,469,803	13,029,239	17,421,071	33.7
Income tax before credits						
Number of returns	104,195,834	102,293,722	101,412,777	102,740,921	104,345,964	1.6
Amount	933,567,474	836,842,718	790,005,881	884,342,703	990,151,766	12.0
Foreign tax credit						
Number of returns	3,942,604	3,748,974	4,145,174	4,700,259	5,398,046	14.8
Amount	6,254,559	5,933,600	5,805,555	6,757,994	9,361,989	38.5
Child care credit						
Number of returns	6,184,508	6,185,855	6,313,297	6,316,649	6,500,596	2.9
Amount	2,721,061	2,706,539	3,206,890	3,337,984	3,462,104	3.7
Credit for elderly or disabled						
Number of returns	139,097	133,538	123,147	107,914	101,627	-5.8
Amount	30,496	21,119	20,257	18,740	14,127	-24.6
Education credits						
Number of returns	7,212,554	6,544,536	7,298,227	7,180,884	7,057,251	-1.7
Amount	5,156,254	5,012,744	5,843,029	6,016,805	6,119,631	1.7
Retirement savings contributions credit						
Number of returns	N/A	5,307,176	5,296,688	5,288,732	5,293,605	0.1
Amount	N/A	1,058,219	1,034,394	1,011,506	944,531	-6.6
Child tax credit						
Number of returns	26,452,875	25,939,801	25,672,254	25,988,711	25,950,568	-0.1
Amount	22,427,229	21,520,271	22,788,025	32,300,455	32,047,620	-0.8
Adoption credit						
Number of returns	47,737	55,905	63,980	71,136	84,793	19.2
Amount	88,781	234,109	348,793	301,890	319,558	5.9
General business credit						
Number of returns	269,648	284,720	262,738	248,506	251,386	1.2
Amount	713,974	750,855	612,744	635,391	877,850	38.2
Prior year minimum tax credit						
Number of returns	248,255	193,776	250,605	274,596	290,376	5.7
Amount	1,438,041	976,398	916,538	902,000	1,081,252	19.9
Total credits [3]						
Number of returns	49,066,700	38,846,217	39,247,449	39,841,978	40,526,374	1.7
Amount	44,160,998	38,747,463	41,069,375	51,599,346	54,571,100	5.8
Income tax less credits [1]						
Number of returns	97,389,985	93,565,243	91,109,363	90,876,672	92,343,186	1.6
Amount	889,406,476	798,095,255	748,936,506	832,743,358	935,580,666	12.3
Self-employment tax						
Number of returns	14,575,011	14,664,473	15,373,279	15,920,203	16,694,655	4.9
Amount	36,262,878	37,367,003	39,574,991	42,210,737	45,459,427	7.7
Recapture taxes						
Number of returns	11,686	14,684	15,797	41,161	15,206	-63.1
Amount	286,974	117,943	87,939	173,122	299,191	72.8

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2001-2005, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Current dollars					Percent change, 2004 to 2005
	2001	2002	2003	2004	2005	
	(1)	(2)	(3)	(4)	(5)	(6)
Social security, Medicare tax on tip income not reported						
Number of returns.....	288,275	238,185	557,717	517,609	335,818	-35.1
Amount.....	35,879	31,446	148,746	107,929	79,220	-26.6
Tax on qualified retirement plans						
Number of returns.....	4,571,187	4,896,938	4,877,670	4,924,584	4,822,297	-2.1
Amount.....	3,259,975	3,498,067	3,407,940	3,640,374	3,820,152	4.9
Advanced earned income credit payments						
Number of returns.....	135,554	156,376	142,694	142,639	122,078	-14.4
Amount.....	51,492	73,904	66,986	62,360	58,167	-6.7
Household employment taxes						
Number of returns.....	250,622	229,722	240,601	243,702	228,381	-6.3
Amount.....	804,086	703,931	810,442	885,832	936,858	5.8
Total tax liability [1,4]						
Number of returns.....	102,557,013	99,559,612	97,875,142	98,115,557	99,880,223	1.8
Amount.....	930,280,996	839,977,103	793,111,460	879,962,609	986,460,793	12.1
Income tax withheld						
Number of returns.....	114,798,386	114,861,744	114,861,706	116,312,978	118,161,380	1.6
Amount.....	773,325,891	717,492,263	703,758,484	731,734,362	782,659,594	7.0
Estimated tax payments						
Number of returns.....	13,167,856	12,434,579	11,576,213	10,996,504	11,053,213	0.5
Amount.....	220,195,712	198,177,595	182,906,911	188,770,357	221,001,524	17.1
Earned income credit [1]						
Number of returns.....	19,593,121	21,703,187	22,024,227	22,270,550	22,751,904	2.2
Amount.....	33,375,971	38,198,572	38,657,067	40,024,074	42,410,290	6.0
Nontaxable combat pay election						
Number of returns.....	N/A	N/A	N/A	10,024	21,973	119.2
Amount.....	N/A	N/A	N/A	9,283	328,268	3,436.2
Additional child tax credit						
Number of returns.....	8,562,900	10,937,417	12,570,455	14,528,434	15,219,712	4.8
Amount.....	4,994,877	6,415,753	9,112,716	14,450,019	15,495,160	7.2
Payment with an extension request						
Number of returns.....	1,448,213	1,235,156	1,333,579	1,518,779	1,627,572	7.2
Amount.....	42,495,018	36,321,934	38,303,188	59,268,206	77,833,848	31.3
Excess social security tax withheld						
Number of returns.....	1,436,745	1,145,352	1,121,141	1,242,604	1,383,240	11.3
Amount.....	1,915,349	1,564,478	1,566,411	1,727,641	2,023,314	17.1
Other payments:						
Form 2439						
Number of returns.....	20,955	19,422	12,717	9,608	19,812	106.2
Amount.....	88,649	37,701	123,633	33,754	52,976	56.9
Form 4136						
Number of returns.....	386,698	365,868	349,860	345,020	340,769	-1.2
Amount.....	108,963	101,459	82,154	86,378	101,712	17.8
Form 8885 [5]						
Number of returns.....	N/A	5,322	17,834	16,314	13,380	-18.0
Amount.....	N/A	1,967	32,514	23,595	27,078	14.8
Total payments [1]						
Number of returns.....	123,451,338	123,462,930	123,461,513	124,989,700	126,781,067	1.4
Amount.....	1,076,500,696	998,311,722	974,543,079	1,036,118,363	1,141,605,497	10.2
Overpayment, total						
Number of returns.....	102,310,895	103,462,884	105,361,848	103,706,648	104,778,359	1.0
Amount.....	236,981,755	239,784,002	254,553,541	255,064,839	272,110,056	6.7
Overpayment refunded						
Number of returns.....	99,011,975	100,143,606	102,004,984	100,674,244	101,870,385	1.2
Amount.....	202,274,032	205,987,348	219,751,889	221,371,474	232,975,616	5.2
Refund credited to next year						
Number of returns.....	5,408,878	5,418,534	5,199,186	4,314,593	4,055,960	-6.0
Amount.....	34,708,129	33,796,653	34,801,652	33,693,366	39,134,446	16.1
Tax due at time of filing						
Number of returns.....	24,581,181	22,818,761	21,072,333	24,452,350	25,659,937	4.9
Amount.....	91,830,967	82,287,723	73,741,408	99,683,779	118,232,296	18.6
Tax penalty						
Number of returns.....	5,318,905	5,149,988	4,829,886	5,641,853	5,882,477	4.3
Amount.....	1,060,320	838,341	619,485	774,697	1,266,944	63.5

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2001-2005, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Constant 1990 dollars [6]					Percent change, 2004 to 2005
	2001	2002	2003	2004	2005	
	(7)	(8)	(9)	(10)	(11)	(12)
All returns.....	130,255,237	130,076,443	130,423,626	132,226,042	134,372,678	1.6
Electronically filed returns *	46,861,487	52,798,823	61,154,815	68,380,152	73,471,852	7.4
Form 1040 returns.....	80,500,011	80,748,948	80,420,043	80,603,689	81,497,559	1.1
Electronically filed returns.....	20,811,215	24,843,419	30,472,170	34,900,171	39,465,536	13.1
Form 1040A returns.....	28,293,817	28,714,328	29,631,494	30,572,631	31,326,141	2.5
Electronically filed returns.....	15,007,182	16,839,599	18,910,697	20,771,324	22,224,396	7.0
Form 1040EZ returns.....	21,461,409	20,613,167	20,372,089	21,049,722	21,548,977	2.4
Electronically filed returns *	11,043,091	11,115,806	11,771,948	12,708,657	11,781,921	-7.3
Salaries and wages						
Number of returns.....	111,227,450	110,938,441	110,890,993	112,369,812	114,070,880	1.5
Amount.....	3,369,172,855	3,313,728,854	3,302,486,146	3,406,094,356	3,450,741,214	1.3
Taxable interest received						
Number of returns.....	67,479,816	63,584,806	59,459,344	57,605,888	59,249,357	2.9
Amount.....	146,256,689	108,302,979	90,312,281	86,833,327	108,723,373	25.2
Tax-exempt interest						
Number of returns.....	4,557,381	4,453,829	4,524,955	4,416,851	4,497,973	1.8
Amount.....	41,020,204	39,654,401	38,174,879	36,008,140	38,617,084	7.2
Ordinary dividends in AGI						
Number of returns.....	32,621,151	31,409,759	30,475,097	30,687,178	31,175,376	1.6
Amount.....	88,216,475	75,030,038	81,776,443	101,618,552	111,433,738	9.7
Qualified dividends in AGI						
Number of returns.....	N/A	N/A	22,449,379	24,549,867	25,853,686	5.3
Amount.....	N/A	N/A	57,524,670	76,470,873	79,638,871	4.1
State income tax refund						
Number of returns.....	22,132,023	23,838,529	24,655,907	23,621,296	22,110,769	-6.4
Amount.....	15,660,147	17,351,608	16,637,516	15,734,206	14,862,624	-5.5
Alimony received						
Number of returns.....	437,859	425,963	431,368	439,608	457,488	4.1
Amount.....	4,934,212	4,740,566	4,595,676	5,025,839	5,340,877	6.3
Business or profession net income, less loss						
Number of returns.....	18,018,349	18,597,305	19,415,648	20,252,079	21,057,329	4.0
Amount.....	159,979,702	160,453,177	163,107,447	171,084,628	180,522,795	5.5
Net capital gain in AGI less loss						
Number of returns.....	23,470,401	23,249,625	21,889,687	22,388,659	22,040,458	-1.6
Amount.....	239,977,094	173,232,891	208,822,242	326,460,656	443,813,347	35.9
Capital gain distributions reported on Form 1040						
Number of returns.....	2,486,027	939,523	1,095,371	2,878,263	4,155,219	44.4
Amount.....	1,002,574	305,459	236,004	1,332,865	3,318,660	149.0
Sales of property other than capital assets, net gain less loss						
Number of returns.....	1,615,884	1,728,377	1,753,860	1,749,934	1,777,203	1.6
Amount.....	-1,399,997	-1,734,397	-234,630	1,731,845	2,451,762	41.6
Total IRA distributions						
Number of returns.....	9,363,959	8,889,787	9,240,253	9,516,936	10,024,085	5.3
Amount.....	87,501,884	87,513,180	85,901,123	90,997,605	98,330,993	8.1
Taxable IRA distributions in AGI						
Number of returns.....	8,834,138	8,291,357	8,611,702	8,913,846	9,387,189	5.3
Amount.....	69,614,454	64,112,995	62,738,356	70,361,371	75,152,074	6.8
Total pensions and annuities						
Number of returns.....	24,317,375	24,857,470	24,767,067	25,130,018	25,352,088	0.9
Amount.....	393,302,084	407,726,455	401,577,149	434,369,717	458,707,089	5.6
Taxable pensions and annuities in AGI						
Number of returns.....	22,262,775	22,794,417	22,822,842	23,123,390	23,247,374	0.5
Amount.....	249,996,612	260,058,837	264,866,081	272,862,179	281,221,456	3.1
Rents, royalties, partnerships, estates, trusts, etc.						
Number of returns.....	14,542,983	14,683,765	14,824,475	15,191,999	15,510,991	2.1
Amount.....	197,951,443	202,174,889	210,013,210	247,320,509	299,228,845	21.0
Farm net income less loss						
Number of returns.....	2,006,871	1,995,073	1,997,116	2,004,898	1,981,249	-1.2
Amount.....	-8,121,610	-10,479,447	-8,786,571	-9,162,080	-8,145,104	11.1
Unemployment compensation in AGI						
Number of returns.....	8,799,885	10,334,639	10,065,230	9,094,911	7,887,700	-13.3
Amount.....	19,845,701	31,343,863	31,255,596	22,657,628	18,646,163	-17.7

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2001-2005, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Constant 1990 dollars [6]					Percent change, 2004 to 2005
	2001	2002	2003	2004	2005	
	(7)	(8)	(9)	(10)	(11)	(12)
Social security benefits (received)						
Number of returns.....	13,753,080	13,869,265	14,120,202	14,759,589	15,510,458	5.1
Amount.....	145,036,506	149,460,960	151,996,647	160,465,896	168,835,144	5.2
Taxable social security benefits in AGI						
Number of returns.....	10,779,279	10,702,502	10,975,002	11,691,859	12,660,754	8.3
Amount.....	69,047,500	67,921,144	69,437,643	76,444,558	83,553,594	9.3
Foreign earned income exclusion [2]						
Number of returns.....	292,006	316,931	306,393	295,313	303,940	2.9
Amount.....	10,291,339	10,855,217	10,707,675	10,689,534	10,894,170	1.9
Net operating loss [2]						
Number of returns.....	611,473	670,081	712,076	829,838	862,791	4.0
Amount.....	40,202,999	42,242,839	44,619,870	51,911,111	53,180,550	2.4
Other income, net gain less loss [2]						
Number of returns.....	5,610,987	5,467,631	5,703,893	5,891,550	6,811,025	15.6
Amount.....	14,397,762	13,881,504	15,120,190	16,053,753	17,980,845	12.0
Total income						
Number of returns.....	130,014,403	129,837,130	130,171,008	131,924,074	134,114,986	1.7
Amount.....	4,598,654,399	4,440,949,828	4,470,656,584	4,765,987,411	5,041,427,182	5.8
Educator expenses						
Number of returns.....	N/A	2,884,403	3,240,673	3,402,468	3,503,719	3.0
Amount.....	N/A	517,809	572,254	594,088	587,548	-1.1
Certain business expenses of reservists, performing artists, and fee-basis government officials						
Number of returns.....	N/A	N/A	N/A	105,135	100,111	-4.8
Amount.....	N/A	N/A	N/A	174,808	190,812	9.2
Total taxpayer IRA adjustment						
Number of returns.....	3,448,457	3,277,671	3,418,494	3,330,763	3,256,066	-2.2
Amount.....	5,466,322	6,876,747	7,107,112	6,940,212	8,034,161	15.8
Student loan interest deduction						
Number of returns.....	4,405,667	6,640,784	6,953,370	7,527,249	8,072,896	7.2
Amount.....	2,001,279	3,386,298	3,131,972	3,044,107	3,382,008	11.1
Tuition and fees deduction						
Number of returns.....	N/A	3,444,941	3,571,154	4,710,253	4,696,013	-0.3
Amount.....	N/A	4,472,489	4,746,897	7,328,221	7,260,368	-0.9
Health savings account deduction						
Number of returns.....	N/A	N/A	N/A	90,857	215,781	137.5
Amount.....	N/A	N/A	N/A	131,994	341,827	159.0
Moving expenses						
Number of returns.....	944,791	947,470	1,023,888	1,096,436	1,134,137	3.4
Amount.....	1,609,277	1,610,023	1,732,837	2,042,936	2,059,279	0.8
One-half of self-employment tax						
Number of returns.....	14,574,036	14,664,473	15,373,279	15,920,203	16,694,655	4.9
Amount.....	13,383,734	13,580,786	14,056,310	14,608,558	15,216,788	4.2
Self-employed health insurance						
Number of returns.....	3,559,792	3,571,152	3,802,277	3,883,687	3,901,082	0.4
Amount.....	6,034,979	7,626,633	11,686,229	12,773,054	13,149,859	2.9
Keogh retirement plan						
Number of returns.....	1,290,496	1,186,947	1,208,801	1,201,332	1,256,900	4.6
Amount.....	9,678,533	11,882,077	12,639,174	13,353,600	14,235,880	6.6
Penalty on early withdrawal of savings						
Number of returns.....	890,649	804,926	736,121	780,327	805,625	3.2
Amount.....	145,781	140,080	106,686	145,213	177,959	22.5
Alimony paid adjustment						
Number of returns.....	656,635	587,219	587,368	574,001	588,463	2.5
Amount.....	5,514,921	5,220,583	5,341,147	5,861,680	5,993,332	2.2
Domestic production activities deduction						
Number of returns.....	N/A	N/A	N/A	N/A	336,959	[7]
Amount.....	N/A	N/A	N/A	N/A	1,580,310	[7]
Foreign housing deductions						
Number of returns.....	4,122	2,074	1,491	3,352	2,417	-27.9
Amount.....	67,951	39,690	36,765	41,453	47,498	14.6
Other adjustments						
Number of returns.....	183,906	208,348	272,647	188,210	257,014	36.6
Amount.....	709,379	773,347	933,441	766,358	938,629	22.5
Total statutory adjustments						
Number of returns.....	23,497,092	28,911,078	30,382,069	32,153,965	33,591,124	4.5
Amount.....	44,703,150	56,076,622	62,198,634	67,852,373	73,223,927	7.9
Adjusted gross income or loss (AGI)						
Amount.....	4,553,951,249	4,384,873,206	4,408,457,950	4,698,135,038	4,968,203,255	5.7
Total itemized deductions						
Number of returns.....	44,562,307	45,647,551	43,949,591	46,335,237	47,755,427	3.1
Amount.....	652,788,384	652,650,669	640,529,001	690,822,462	750,877,467	8.7

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2001-2005, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Constant 1990 dollars [6]					Percent change, 2004 to 2005
	2001	2002	2003	2004	2005	
	(7)	(8)	(9)	(10)	(11)	(12)
Total standard deduction						
Number of returns	84,238,232	82,655,191	84,643,281	84,016,753	84,841,222	1.0
Amount.....	355,651,359	357,607,218	394,730,151	388,188,663	388,720,021	0.1
Basic standard deduction						
Number of returns.....	84,238,232	82,655,191	84,643,281	84,016,753	84,841,222	1.0
Amount.....	344,628,068	346,780,556	383,466,683	377,219,528	377,634,574	0.1
Additional standard deduction						
Number of returns	11,116,629	10,857,098	11,200,647	10,985,079	10,996,440	0.1
Amount.....	11,023,291	10,826,662	11,263,468	10,969,136	11,085,447	1.1
AGI less deductions						
Number of returns	115,862,109	114,976,167	114,402,877	116,042,570	118,115,885	1.8
Amount.....	3,623,859,267	3,459,946,100	3,461,494,423	3,709,864,246	3,921,698,088	5.7
Number of exemptions.....	256,186,046	258,716,374	261,126,373	263,896,304	269,043,070	2.0
Exemption amount.....	536,940,952	553,372,406	554,904,167	554,110,756	562,184,863	1.5
Taxable income						
Number of returns.....	104,174,655	102,275,969	101,392,812	102,737,959	104,330,653	1.6
Amount.....	3,150,189,244	2,976,836,956	2,983,109,687	3,231,948,538	3,438,531,375	6.4
Tax from table, rate schedules, etc.						
Number of returns.....	104,163,693	102,266,930	101,386,201	102,721,593	104,321,332	1.6
Amount.....	683,868,872	603,080,757	554,201,549	602,925,850	651,075,606	8.0
Additional taxes						
Number of returns.....	25,334	13,291	21,370	9,884	10,595	7.2
Amount.....	146,862	111,602	157,733	59,246	15,890	-73.2
Alternative minimum tax						
Number of returns.....	1,120,047	1,910,789	2,357,975	3,096,299	4,004,756	29.3
Amount.....	4,986,498	4,981,033	6,725,712	9,016,774	11,660,690	29.3
Income tax before credits						
Number of returns.....	104,195,834	102,293,722	101,412,777	102,740,921	104,345,964	1.6
Amount.....	688,979,686	608,170,580	561,083,722	612,001,871	662,752,186	8.3
Foreign tax credit						
Number of returns.....	3,942,604	3,748,974	4,145,174	4,700,259	5,398,046	14.8
Amount.....	4,615,911	4,312,209	4,123,263	4,676,812	6,266,392	34.0
Child care credit						
Number of returns.....	6,184,508	6,185,855	6,313,297	6,316,649	6,500,596	2.9
Amount.....	2,008,163	1,966,961	2,277,621	2,310,024	2,317,339	0.3
Credit for elderly or disabled						
Number of returns.....	139,097	133,538	123,147	107,914	101,627	-5.8
Amount.....	22,506	15,348	14,387	12,969	9,456	-27.1
Education credits						
Number of returns.....	7,212,554	6,544,536	7,298,227	7,180,884	7,057,251	-1.7
Amount.....	3,805,354	3,642,983	4,149,879	4,163,879	4,096,139	-1.6
Retirement savings contributions credit						
Number of returns.....	N/A	5,307,176	5,296,688	5,288,732	5,293,605	0.1
Amount.....	N/A	769,055	734,655	700,004	632,216	-9.7
Child tax credit						
Number of returns.....	26,452,875	25,939,801	25,672,254	25,988,711	25,950,568	-0.1
Amount.....	16,551,461	15,639,732	16,184,677	22,353,256	21,450,884	-4.0
Adoption credit						
Number of returns.....	47,737	55,905	63,980	71,136	84,793	19.2
Amount.....	65,521	170,137	247,722	208,920	213,894	2.4
General business credit						
Number of returns.....	269,648	284,720	262,738	248,506	251,386	1.2
Amount.....	526,918	545,680	435,188	439,717	587,584	33.6
Prior year minimum tax credit						
Number of returns	248,255	193,776	250,605	274,596	290,376	5.7
Amount.....	1,061,285	709,592	650,950	624,221	723,730	15.9
Total credits [3]						
Number of returns.....	49,066,700	38,846,217	39,247,449	39,841,978	40,526,374	1.7
Amount.....	32,591,142	28,159,493	29,168,590	35,708,890	36,526,841	2.3
Income tax less credits [1]						
Number of returns	97,389,985	93,565,243	91,109,363	90,876,672	92,343,186	1.6
Amount.....	656,388,543	580,011,086	531,915,132	576,292,981	626,225,345	8.7
Self-employment tax						
Number of returns	14,575,011	14,664,473	15,373,279	15,920,203	16,694,655	4.9
Amount.....	26,762,272	27,156,252	28,107,238	29,211,583	30,427,997	4.2
Recapture taxes						
Number of returns.....	11,686	14,684	15,797	41,161	15,206	-63.1
Amount.....	211,789	85,714	62,457	119,808	200,262	67.2

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2001-2005, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Constant 1990 dollars [6]					Percent change, 2004 to 2005
	2001	2002	2003	2004	2005	
	(7)	(8)	(9)	(10)	(11)	(12)
Social security, Medicare tax on tip income not reported						
Number of returns	288,275	238,185	557,717	517,609	335,818	-35.1
Amount	26,479	22,853	105,643	74,691	53,025	-29.0
Tax on qualified retirement plans						
Number of returns	4,571,187	4,896,938	4,877,670	4,924,584	4,822,297	-2.1
Amount	2,405,886	2,542,200	2,420,412	2,519,290	2,556,996	1.5
Advanced earned income credit payments						
Number of returns	135,554	156,376	142,694	142,639	122,078	-14.4
Amount	38,001	53,709	47,575	43,156	38,934	-9.8
Household employment taxes						
Number of returns	250,622	229,722	240,601	243,702	228,381	-6.3
Amount	593,421	511,578	575,598	613,033	627,080	2.3
Total tax liability [1,4]						
Number of returns	102,557,013	99,559,612	97,875,142	98,115,557	99,880,223	1.8
Amount	686,554,241	610,448,476	563,289,389	608,970,664	660,281,655	8.4
Income tax withheld						
Number of returns	114,798,386	114,861,744	114,861,706	116,312,978	118,161,380	1.6
Amount	570,720,215	521,433,331	499,828,469	506,390,562	523,868,537	3.5
Estimated tax payments						
Number of returns	13,167,856	12,434,579	11,576,213	10,996,504	11,053,213	0.5
Amount	162,506,061	144,024,415	129,905,477	130,636,925	147,926,054	13.2
Earned income credit [1]						
Number of returns	19,593,121	21,703,187	22,024,227	22,270,550	22,751,904	2.2
Amount	24,631,713	27,760,590	27,455,303	27,698,321	28,387,075	2.5
Nontaxable combat pay election						
Number of returns	N/A	N/A	N/A	10,024	21,973	119.2
Amount	N/A	N/A	N/A	6,424	219,724	3,320.2
Additional child tax credit						
Number of returns	8,562,900	10,937,417	12,570,455	14,528,434	15,219,712	4.8
Amount	3,686,256	4,662,611	6,472,099	10,000,013	10,371,593	3.7
Payment with an extension request						
Number of returns	1,448,213	1,235,156	1,333,579	1,518,779	1,627,572	7.2
Amount	31,361,637	26,396,754	27,203,969	41,016,060	52,097,622	27.0
Excess social security tax withheld						
Number of returns	1,436,745	1,145,352	1,121,141	1,242,604	1,383,240	11.3
Amount	1,413,542	1,136,975	1,112,508	1,195,599	1,354,293	13.3
Other payments:						
Form 2439						
Number of returns	20,955	19,422	12,717	9,608	19,812	106.2
Amount	65,424	27,399	87,808	23,359	35,459	51.8
Form 4136						
Number of returns	386,698	365,868	349,860	345,020	340,769	-1.2
Amount	80,415	73,735	58,348	59,777	68,080	13.9
Form 8885 [5]						
Number of returns	N/A	5,322	17,834	16,314	13,380	-18.0
Amount	N/A	1,430	23,092	16,329	18,124	11.0
Total payments [1]						
Number of returns	123,451,338	123,462,930	123,461,513	124,989,700	126,781,067	1.4
Amount	794,465,458	725,517,240	692,147,073	717,036,929	764,126,839	6.6
Overpayment, total						
Number of returns	102,310,895	103,462,884	105,361,848	103,706,648	104,778,359	1.0
Amount	174,894,284	174,261,629	180,790,867	176,515,460	182,135,245	3.2
Overpayment refunded						
Number of returns	99,011,975	100,143,606	102,004,984	100,674,244	101,870,385	1.2
Amount	149,279,728	149,700,108	156,073,785	153,198,252	155,940,841	1.8
Refund credited to next year						
Number of returns	5,408,878	5,418,534	5,199,186	4,314,593	4,055,960	-6.0
Amount	25,614,855	24,561,521	24,717,082	23,317,208	26,194,408	12.3
Tax due at time of filing						
Number of returns	24,581,181	22,818,761	21,072,333	24,452,350	25,659,937	4.9
Amount	67,771,931	59,802,124	52,373,159	68,985,314	79,138,083	14.7
Tax penalty						
Number of returns	5,318,905	5,149,988	4,829,886	5,641,853	5,882,477	4.3
Amount	782,524	609,259	439,975	536,122	848,021	58.2

[1] All items correspond to the Form 1040 line items. Therefore, some may differ from the SOI items shown in the Basic Tables in Section 3.

N/A = Not applicable.

[2] Line 21 on Form 1040 consists of other income minus foreign earned income exclusion and net operating loss.

[3] Total credits includes the values for mortgage interest tax credit and "other credits" not tabulated here.

[4] Total tax liability includes the values for "other taxes" not tabulated here.

[5] The data for 2002 cover only the health coverage credit for insurance premiums paid in December 2002.

[6] Inflation-adjusted data were calculated using the consumer price index from the Bureau of Labor Statistics; based on 1990=100 when 1990 CPI-U = 130.7; 2005 CPI-U = 195.3; 2004 CPI-U = 188.9; 2003 CPI-U = 184.0; 2002 CPI-U = 179.9, 2001 CPI-U = 177.1

[7] Percentage not computed.

* Includes Form 1040 Telefile.

Figure 1--General Filing Requirements

Marital Status	Filing Status	Age	Gross Income
Single (including divorced and legally separated)	Single	under 65 65 or older	\$8,200 \$9,450
	Head of household	under 65 65 or older	\$10,500 \$11,750
Married with a child and living apart from spouse during the last six months of 2005	Head of household	under 65 65 or older	\$10,500 \$11,750
	Married, joint return	under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses)	\$16,400 \$17,400 \$18,400
Married and living with spouse at the end of 2005 (or on the date spouse died)	Married, separate return	any age	\$3,200
	Married, joint or separate return	any age	\$3,200
Widowed in 2003 or 2004 and not remarried in 2005	Single	under 65 65 or older	\$8,200 \$9,450
	Head of household	under 65 65 or older	\$10,500 \$11,750
	Qualifying widow(er) with dependent child	under 65 65 or older	\$13,200 \$14,200

Requirements for Filing

The filing requirements for Tax Year 2005 were based on gross income, marital status, age, and, to a lesser extent, dependency and blindness. Gross income included all income received in the form of money, property, and services that was not expressly exempt from tax. Generally, a citizen or resident of the United States was required to file a tax return if gross income for the year was at least as much as the amount shown for the appropriate filing status in Figure 1. Figure 2 shows the filing requirements for taxpayers who could be claimed as a dependent by another person (such as a parent).

In addition to the general filing requirements, an individual was obligated to file a return for Tax Year 2005 if he or she:

1. Was liable for any of the following taxes:
 - Social security or Medicare tax on unreported tip income;
 - Uncollected social security, Medicare, or railroad retirement tax on reported tip income or group-term life insurance;
 - Alternative minimum tax;
 - Tax on an individual retirement arrangement (IRA) or a qualified retirement plan;
 - Tax from the recapture of various credits, including investment credits or low-income housing credits;
 - Household employment taxes (unless only filing because taxpayer owed this tax, then taxpayer could have filed only schedule H);
2. Received any advanced earned income credit (AEIC) payments.

Figure 2.-Filing Requirements for Children and Other Dependents

If someone (such as a parent) can claim the individual as a dependent, and any of the four conditions listed below applies, he or she must file a return

In this chart unearned income includes taxable interest, ordinary dividends, and capital gain distributions. Earned income includes wages, tips, and taxable scholarship and fellowship grants. Gross income is the total of unearned and earned income

1. Single dependents under 65 must file a return if-

- Earned income was more than \$5,000, or
- Unearned income was over \$800, or
- Gross income was more than the larger of (a) \$800 or (b) earned income (up to \$4,750) plus \$250.

2. Single dependents 65 or older or blind must file a return if-

- Earned income was more than \$6,250 (\$7,500 if 65 or older and blind), or
- Unearned income was more than \$2,050 (\$3,300 if 65 or older and blind), or
- Gross income was more than the total of earned income (up to \$4,750) plus \$250 or \$800, whichever is larger; plus \$1,250 (\$2,500 if 65 or older and blind)

3. Married dependents under 65 must file a return if-

- Gross income was at least \$5 and spouse files a separate return and itemizes deductions.
- Earned income was more than \$5,000, or
- Unearned income was over \$800, or
- Gross income was more than the larger of \$800 or earned income (up to \$4,750) plus \$250.

4. Married dependents 65 or older or blind must file a return if-

- Earned income was more than \$6,000 (\$7,000 if 65 or older and blind), or
- Unearned was more than \$1,800 (\$2,800 if 65 or older and blind), or
- Gross income was more than the total of earned income (up to \$4,750) plus \$250 or \$800, whichever is larger, plus \$1,000 (\$2,000 if 65 or older and blind)
- Gross income was at least \$5 and spouse files a separate return and itemizes deductions.

3. Had net earnings from self-employment of at least \$400; or
4. Had wages of \$108.28 or more from a church or qualified church-controlled organization that was exempt from employer social security and Medicare taxes.

Data shown in this report include individuals who were not required to file tax returns, but did so for any of a number of reasons. For example, an individual might have filed a return to obtain a refund of tax withheld, or take advantage of the earned income credit.

Changes in Law or Administrative Procedures

Major changes in effect for Tax Year 2005 that influenced the Statistics of Income data are listed below. Section 4, Explanation of Terms, provides more detailed explanations and definitions of the terms used in this report.

Additional Child Tax Credits

Modifications were made to the additional child tax credit for 2005. In Tax Year 2004, the credit limit based on earned income was 15 percent of a taxpayer's earned income that exceeded \$10,750. For 2005, the limit was 15 percent of a taxpayer's earned income that exceeded \$11,000.

Alternative Minimum Tax

For Tax Year 2005, the minimum exemption amount for a child under age 14 increased to \$5,850 from \$5,750 for 2004.

Domestic Production Activities

For 2005, the deduction equaled 3% of the lesser of: (a) qualified production activities income; or (b) taxable income for the taxable year. However, the deduction for a taxable year was limited to 50 percent of the W-2 wages paid by the taxpayer during the calendar year that ends in such taxable year. Qualified production activities include domestic manufacturing, producing, growing, and extracting tangible personal property, computer software, and sound recordings, and the construction and substantial renovation of real property including infrastructure.

Earned Income Credit

The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends and capital gain income) a taxpayer could have and still claim the credit increased to \$2,700 from \$2,650. The maximum credit for taxpayers with no qualifying children increased to \$399 from \$390. For these taxpayers, earned income and AGI had

to be less than \$11,750 (\$13,750 if married filing jointly) to get any EIC. For taxpayers with one qualifying child, the maximum credit increased \$58 to \$2,662 and, for taxpayers with two or more qualifying children, the maximum credit increased to \$4,400 from \$4,300. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than \$31,030 (\$33,030 for married filing jointly) for one qualifying child, or less than \$35,263 (\$37,263 for married filing jointly) for two or more qualifying children.

Exemption Amount

Indexing for inflation increased to \$3,200 the deduction for each exemption to which the taxpayer was entitled for 2005, an increase from the \$3,100 allowed for 2004. The AGI threshold for the limitation of exemption amounts was also indexed for inflation, increasing from \$142,700 to \$145,950 for single filers; \$214,050 to \$218,950 for married persons filing jointly and surviving spouses; \$178,350 to \$182,450 for heads of household; and \$107,025 to \$109,475 for married persons filing separately. The phase-out of the deduction for exemptions was completed at AGI levels above \$268,450 for single filers; \$341,450 for married persons filing jointly and surviving spouses; \$304,950 for heads of household; and \$170,775 for married persons filing separately. Above these levels, no deduction for exemptions was allowed.

Health Savings Account Deduction

The deduction was limited to the annual deductible on the qualifying high deductible health plan, but not more than \$2,650 (\$5,250 if family coverage), an increase from \$2,600 (\$5,150 if family coverage) in 2004. These limits were \$600 higher if the taxpayer was age 55 or older (\$1,200 if both spouses were 55 or older). For 2004, these limits were \$500 and \$1,000 respectively.

Individual Retirement Arrangement Deduction

For 2005, a taxpayer (both taxpayers for taxpayers filing jointly), was able to take an IRA

deduction up to \$4,000 (\$4,500 if age 50 or older) if not covered by a retirement plan, or if covered by a retirement plan but their modified AGI was less than \$60,000 (\$80,000 if married filing jointly or qualifying widow(er)). This was up from \$55,000 (\$75,000 if married filing jointly or qualifying widow(er)) for 2004.

Itemized Deductions

If a taxpayer's AGI was greater than \$145,950 (\$72,975 if married filing separately), his or her itemized deductions may have been limited; the threshold was increased from \$142,700 (\$71,350) for 2004, as a result of inflation indexing. The limitation did not apply to deductions for medical and dental expenses, investment interest expenses, casualty or theft losses, and gambling losses; all other deductions were subject to the limitation. To arrive at allowable itemized deductions, total itemized deductions were reduced by the smaller of: (a) 80 percent of the non-exempt deductions, or (b) 3 percent of the amount of AGI in excess of the limitation threshold.

Katrina Emergency Tax Relief Act of 2005 and Gulf Opportunity Zone Act of 2005

The Katrina Emergency Tax Relief Act of 2005 and the Gulf Opportunity Zone Act of 2005 contained many tax relief provisions for individuals in the Hurricanes Katrina, Rita and Wilma disaster areas.

The Katrina Emergency Tax Relief Act of 2005 provided an additional exemption of \$500 in years 2005 or 2006 for each Hurricane Katrina displaced individual claimed by the taxpayer. The total additional exemption claimed for all years cannot exceed: \$2,000 for married taxpayers filing jointly, \$1,000 for married taxpayers filing separately, and \$2,000 for all other taxpayers. A Hurricane Katrina displaced individual is a person (1) whose main home on August 28, 2005 was in the Hurricane Katrina disaster area, (2) who is displaced from the home, and (3) who is provided housing free of charge in the taxpayer's main home for a period of 60 consecutive days which

ends in the taxable year in which the exemption is claimed. The additional exemption is not subject to the income-based phaseouts applicable to personal exemptions, and is allowed as a deduction in computing alternative minimum taxable income. Other tax benefits for all taxpayers affected by Hurricanes Katrina, Rita and Wilma (the Gulf Opportunity Zone) included:

- (1) Suspended limits for certain personal casualty losses and cash charitable contributions;
- (2) Election to use your 2004 earned income to figure your 2005 EIC and additional child tax credit;
- (3) An increased charitable standard mileage rate for using your vehicle for volunteer work related to Hurricane Katrina;
- (4) Special rules for charitable deductions of food inventory by taxpayers engaged in a trade or business;
- (5) Special rules for withdrawals and loans from IRAs and other qualified retirement plans, and;
- (6) Education credits were expanded for students attending an eligible education institution in the Gulf Opportunity Zone.

Qualifying Child Definition

The definition for a qualifying child changed slightly for several tax benefits in Tax Year 2005. While the definition was primarily the same for most benefits, the most notable change was to the Child Tax Credit. Taxpayers, who could not claim children as a dependent exemption, may have been able to claim them on the credit, using Form 8901.

Self-employment Tax

The ceiling on taxable "self-employment income" was raised, for 2005, to \$90,000 for the social security portion (12.4 percent) of the self-employment tax. The limit was \$87,900 for 2004.

Standard Deduction

For married persons filing jointly or surviving spouses, the standard deduction was increased in

Figure 3.-Calculation of the 1979 Income Concept for 2005

1979 Total Income Concept=

Income or Loss:

- Salaries and wages ¹
- Interest ¹
- Dividends ¹
- Taxable refunds ¹
- Alimony received ¹
- Sales of capital assets,
net gain or loss ¹
- Other gains and losses (Form 4797) ¹
- Business net income or loss ¹
- Farm net income or loss ¹
- Rent net income or loss ¹
- Royalty net income or loss ¹
- Partnership net income or loss ¹
- S Corporation net income or loss ¹
- Farm rental net income or loss ¹
- Estate or trust net income or loss ¹
- Unemployment compensation ¹
- Depreciation in excess of straight-line
depreciation ²
- Total pension income ^{3,5}
- Other net income or loss ⁴
- Net operating loss ¹

Deductions:

- Disallowed passive losses (Form 8582) ⁶
- Moving expenses ¹
- Alimony paid ¹
- Unreimbursed business expenses ⁶

¹ Included in adjusted gross income (less deficit) (AGI) for Tax Year 2005.

² Adjustment to add back excess depreciation (accelerated over straight-line depreciation) deducted in the course of a trade or business and included in net income (loss) amounts shown above.

³ Includes taxable and tax-exempt pension and retirement distributions, including IRA distributions.

⁴ Includes an adjustment to add back amounts reported for the foreign-earned income exclusion."

⁵ Not fully included in AGI for Tax Year 2005.

⁶ Not included in AGI for Tax Year 2005.

2005, from \$9,700 to \$10,000 (the amount is now twice that for single filers).

For single filers and married persons filing separately, the standard deduction rose from \$4,850 to \$5,000; and for heads of household, from \$7,150 to \$7,300. The amount of standard deduction for a dependent was the greater of \$800 or the dependent's earned income plus \$250 (but not more than the regular standard deduction amount). Taxpayers who were age 65 or over or blind could claim an additional standard deduction amount of \$1,000 or \$1,250 depending on marital status.

The 1979 Income Concept: A Retrospective Income Definition

In order to analyze changes in income and taxes over a period of years, a consistent definition of income must be used. The income concept available from Federal income tax returns, AGI, was designed to facilitate tax administration, and its definition has changed over time to reflect modifications to the Internal Revenue Code. Tax laws of the 1980's (the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, and the Tax Reform Act of 1986) made significant changes to the components of AGI, which made it more difficult to use AGI for accurate comparisons of income from year to year. For this reason, it was decided to develop an income definition that would be consistent over several years, and would allow comparisons both before and after the major tax legislation of the 1980's.

The result was a retrospective income definition known as the 1979 Income Concept, reflecting a base period from 1979 through 1986. It was calculated using only data available from Individual income tax returns. By using the same income items in the calculation each year, its definition was consistent throughout the base years. In addition, this retrospective income definition could be used in future years to compare income by continuing to include the same components that were common to all years. The calculation of the 1979 Income Concept is shown in Figure 3. Several items partially excluded from AGI for the

Table B--All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979**Income Concept, 2005**

[All figures are estimates based on samples--money amounts are in millions of dollars]

Size of income	Income				Salaries and wages			
	2005 Adjusted Gross Income		1979 Income Concept		2005 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total.....	134,372,678	7,422,496	134,372,678	7,612,003	114,070,880	5,155,407	114,070,880	5,155,407
Under \$10,000.....	25,351,692	35,302	24,702,082	29,588	19,150,499	113,394	18,886,552	109,910
\$10,000 under \$20,000.....	22,762,283	339,522	22,982,222	343,275	18,205,723	256,306	18,459,936	262,583
\$20,000 under \$30,000.....	18,522,274	459,302	19,316,337	479,188	16,038,304	377,503	16,373,162	387,988
\$30,000 under \$40,000.....	13,940,405	483,976	14,464,910	501,747	12,422,256	401,927	12,675,165	412,764
\$40,000 under \$50,000.....	10,618,506	475,519	10,571,386	473,208	9,502,570	390,239	9,405,972	388,915
\$50,000 under \$60,000.....	8,465,676	464,298	8,363,481	458,551	7,555,739	374,285	7,553,806	377,667
\$60,000 under \$70,000.....	6,960,523	451,353	6,565,154	425,539	6,274,251	361,136	5,948,720	349,458
\$70,000 under \$80,000.....	5,554,438	415,740	5,165,857	386,357	5,012,944	329,687	4,763,081	320,391
\$80,000 under \$90,000.....	4,441,028	376,683	4,225,404	358,273	4,012,926	298,020	3,887,355	293,430
\$90,000 under \$100,000.....	3,379,360	320,071	3,208,425	304,129	3,099,799	256,487	2,948,307	246,166
\$100,000 under \$125,000.....	5,306,958	589,287	5,089,808	566,015	4,808,425	461,551	4,649,379	443,228
\$125,000 under \$150,000.....	2,893,735	394,618	2,900,642	395,650	2,606,536	298,608	2,642,617	296,585
\$150,000 under \$175,000.....	1,615,084	260,951	1,681,274	271,652	1,456,146	188,017	1,500,224	188,262
\$175,000 under \$200,000.....	994,590	185,724	1,057,479	197,296	887,160	130,493	935,844	130,177
\$200,000 under \$300,000.....	1,784,202	428,114	1,979,855	476,819	1,551,448	274,256	1,700,505	277,203
\$300,000 under \$400,000.....	633,114	217,990	759,936	261,848	543,305	125,574	643,225	133,383
\$400,000 under \$500,000.....	320,486	142,778	385,140	171,715	264,414	73,344	322,121	78,728
\$500,000 under \$1,000,000.....	524,506	355,221	614,148	415,552	433,368	168,640	503,456	176,088
\$1,000,000 under \$1,500,000.....	127,925	154,800	147,153	177,751	102,343	59,395	116,330	62,220
\$1,500,000 under \$2,000,000.....	56,615	97,512	64,100	110,294	45,841	34,691	51,909	36,032
\$2,000,000 under \$5,000,000.....	84,070	250,612	90,823	270,250	67,929	76,935	72,564	78,606
\$5,000,000 under \$10,000,000.....	21,431	146,847	23,170	159,003	17,580	39,016	19,170	39,438
\$10,000,000 and over.....	13,776	376,275	13,891	378,303	11,375	65,904	11,479	66,186

Size of income	Taxable interest received				Ordinary dividends received		Ordinary dividends received	
	2005 Adjusted Gross Income		1979 Income Concept		2005 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total.....	59,249,357	162,433	59,249,357	162,433	31,175,376	166,482	31,175,376	166,482
Under \$10,000.....	6,353,118	9,107	6,006,847	9,088	3,407,538	5,167	3,208,591	5,149
\$10,000 under \$20,000.....	6,004,763	8,460	5,856,219	8,173	2,833,623	5,106	2,768,255	5,060
\$20,000 under \$30,000.....	5,453,558	7,555	5,984,654	9,240	2,392,764	4,608	2,650,149	5,891
\$30,000 under \$40,000.....	5,226,276	6,669	5,696,388	8,382	2,288,816	4,498	2,581,337	5,604
\$40,000 under \$50,000.....	5,050,162	6,637	5,102,377	7,351	2,251,291	4,822	2,304,061	5,359
\$50,000 under \$60,000.....	4,675,269	6,917	4,645,318	7,050	2,183,663	5,062	2,185,857	5,855
\$60,000 under \$70,000.....	4,327,581	6,553	4,052,726	5,787	2,122,111	5,464	1,922,246	5,170
\$70,000 under \$80,000.....	3,789,590	5,970	3,474,212	5,077	1,885,870	5,164	1,688,456	4,296
\$80,000 under \$90,000.....	3,273,402	5,623	3,103,643	4,317	1,694,699	4,820	1,558,865	3,879
\$90,000 under \$100,000.....	2,575,439	4,077	2,424,597	4,156	1,455,928	4,294	1,374,034	4,071
\$100,000 under \$125,000.....	4,294,532	9,009	4,091,125	8,319	2,570,093	9,463	2,419,572	8,905
\$125,000 under \$150,000.....	2,497,098	6,388	2,495,259	5,721	1,639,184	7,528	1,634,912	6,322
\$150,000 under \$175,000.....	1,425,043	4,507	1,484,800	4,191	1,005,762	5,471	1,028,977	5,449
\$175,000 under \$200,000.....	903,946	3,659	957,390	3,510	651,509	4,000	683,564	3,821
\$200,000 under \$300,000.....	1,668,055	9,005	1,846,428	9,204	1,292,061	11,786	1,420,234	11,703
\$300,000 under \$400,000.....	606,136	5,224	722,980	5,135	501,350	7,434	595,222	7,562
\$400,000 under \$500,000.....	310,570	3,830	371,519	3,995	267,120	5,191	312,809	5,254
\$500,000 under \$1,000,000.....	513,857	10,089	597,981	10,364	453,354	13,450	527,714	13,623
\$1,000,000 under \$1,500,000.....	126,296	5,171	145,258	5,277	115,057	6,761	132,866	6,886
\$1,500,000 under \$2,000,000.....	56,026	3,322	63,432	3,321	51,706	4,432	58,930	4,461
\$2,000,000 under \$5,000,000.....	83,565	9,647	90,274	9,703	78,147	12,205	84,304	12,351
\$5,000,000 under \$10,000,000.....	21,337	5,885	22,080	5,917	20,386	7,437	20,963	7,502
\$10,000,000 and over.....	13,736	19,130	13,850	19,153	13,345	22,319	13,456	22,308

Footnotes at end of table

Table B--All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979**Income Concept, 2005--Continued**

[All figures are estimates based on samples--money amounts are in millions of dollars]

Size of income	Business or profession net income less loss				Sales of capital assets			
	2005 Adjusted Gross Income		1979 Income Concept		2005 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total.....	21,057,329	269,701	21,057,329	269,701	26,195,676	668,015	26,195,676	668,015
Under \$10,000.....	4,032,771	5,418	3,750,220	2,542	3,145,891	9,104	2,982,746	9,473
\$10,000 under \$20,000.....	3,190,303	23,334	3,167,913	20,813	2,121,293	2,065	2,059,569	1,820
\$20,000 under \$30,000.....	2,200,541	17,390	2,269,911	15,944	1,831,989	2,541	2,056,560	2,939
\$30,000 under \$40,000.....	1,753,149	14,776	1,822,086	13,936	1,811,110	3,125	2,040,109	4,254
\$40,000 under \$50,000.....	1,534,751	12,604	1,584,437	11,514	1,797,918	4,667	1,812,003	4,962
\$50,000 under \$60,000.....	1,397,452	12,048	1,411,744	12,116	1,744,068	4,669	1,763,943	5,536
\$60,000 under \$70,000.....	1,191,079	12,141	1,147,061	11,357	1,676,011	5,414	1,584,701	6,169
\$70,000 under \$80,000.....	975,376	10,558	932,672	10,051	1,560,200	6,547	1,373,813	5,950
\$80,000 under \$90,000.....	812,177	11,050	805,080	10,202	1,364,459	6,936	1,241,731	7,272
\$90,000 under \$100,000.....	670,813	10,921	653,788	8,668	1,172,572	6,809	1,104,761	6,448
\$100,000 under \$125,000.....	1,095,114	20,465	1,066,063	20,389	2,180,324	16,939	2,064,549	16,861
\$125,000 under \$150,000.....	627,926	16,168	666,322	16,933	1,462,284	16,782	1,422,080	14,887
\$150,000 under \$175,000.....	396,918	13,798	431,369	14,615	914,061	15,317	936,161	14,217
\$175,000 under \$200,000.....	242,190	10,769	261,353	10,581	615,620	11,730	642,931	11,939
\$200,000 under \$300,000.....	467,448	26,122	524,777	29,437	1,263,617	42,040	1,362,014	41,296
\$300,000 under \$400,000.....	163,525	12,617	202,729	15,155	510,169	30,283	583,239	29,948
\$400,000 under \$500,000.....	89,424	8,197	107,565	9,650	273,504	22,936	314,003	22,530
\$500,000 under \$1,000,000.....	138,035	15,445	163,343	18,526	463,988	68,887	533,951	68,816
\$1,000,000 under \$1,500,000.....	33,202	4,869	39,228	5,518	118,563	36,207	134,740	36,748
\$1,500,000 under \$2,000,000.....	14,055	2,291	16,182	2,604	53,231	26,683	60,318	26,221
\$2,000,000 under \$5,000,000.....	21,727	4,567	23,925	4,911	80,412	79,826	86,521	80,666
\$5,000,000 under \$10,000,000.....	5,661	1,715	5,842	1,784	20,841	57,219	21,569	57,622
\$10,000,000 and over.....	3,690	2,438	3,719	2,456	13,550	191,288	13,661	191,440

Size of income	Rents, royalties, and farm rental net income less loss				Partnership and S corporation net income less loss			
	2005 Adjusted Gross Income		1979 Income Concept		2005 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All returns, total.....	9,949,133	28,237	9,949,133	28,237	7,531,493	402,327	7,531,493	402,327
Under \$10,000.....	914,659	-3,456	870,596	-3,851	633,334	-29,983	609,028	-29,991
\$10,000 under \$20,000.....	953,654	88	925,661	22	400,396	322	386,011	270
\$20,000 under \$30,000.....	857,568	-242	955,617	-388	430,759	840	453,799	579
\$30,000 under \$40,000.....	834,301	-819	886,055	-2	424,374	2,218	429,874	1,314
\$40,000 under \$50,000.....	737,250	-337	786,498	397	408,755	2,289	416,697	2,820
\$50,000 under \$60,000.....	774,410	-215	738,420	-450	455,764	3,514	453,515	3,248
\$60,000 under \$70,000.....	685,154	103	680,842	287	394,057	3,490	395,536	3,542
\$70,000 under \$80,000.....	630,716	432	570,840	277	405,008	4,663	382,093	4,209
\$80,000 under \$90,000.....	570,585	507	537,739	73	361,015	4,277	345,362	3,480
\$90,000 under \$100,000.....	459,697	247	416,559	430	314,892	4,391	313,430	3,859
\$100,000 under \$125,000.....	761,051	1,806	734,218	1,570	641,049	11,080	593,929	9,864
\$125,000 under \$150,000.....	488,641	1,708	441,624	1,655	475,449	12,003	459,443	11,082
\$150,000 under \$175,000.....	223,994	1,550	239,470	1,624	315,071	9,337	321,562	9,776
\$175,000 under \$200,000.....	164,058	1,752	183,336	1,647	248,655	10,597	258,616	10,275
\$200,000 under \$300,000.....	365,469	4,866	391,871	4,576	616,346	36,493	630,193	34,930
\$300,000 under \$400,000.....	160,200	2,680	185,107	2,747	278,766	25,028	299,771	25,343
\$400,000 under \$500,000.....	92,477	1,993	103,543	1,782	174,830	23,187	188,257	22,826
\$500,000 under \$1,000,000.....	158,286	5,244	174,406	5,398	320,817	65,330	346,282	67,779
\$1,000,000 under \$1,500,000.....	44,402	2,318	49,473	2,360	91,674	36,037	99,360	37,098
\$1,500,000 under \$2,000,000.....	21,447	1,450	23,184	1,486	42,554	22,505	46,377	23,079
\$2,000,000 under \$5,000,000.....	34,356	3,127	36,037	3,158	67,309	58,708	71,209	60,329
\$5,000,000 under \$10,000,000.....	9,701	1,456	10,935	1,451	18,221	31,148	18,661	31,442
\$10,000,000 and over.....	7,055	1,980	7,102	1,990	12,399	64,854	12,488	65,172

Footnotes at end of table

Table B--All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979**Income Concept, 2005--Continued**

[All figures are estimates based on samples--money amounts are in millions of dollars]

Size of income	Nondeductible passive losses				Estate and trust net income less loss			
	2005 Adjusted Gross Income		1979 Income Concept		2005 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total.....	1,656,972	23,274	1,656,972	23,274	529,217	16,484	529,217	16,484
Under \$10,000.....	132,421	2,571	174,273	7,120	46,626	-278	44,348	-260
\$10,000 under \$20,000.....	55,983	621	50,968	328	30,853	135	31,603	138
\$20,000 under \$30,000.....	51,506	394	64,001	468	34,186	241	39,117	281
\$30,000 under \$40,000.....	61,115	470	66,946	527	28,556	200	30,097	224
\$40,000 under \$50,000.....	68,869	635	69,832	398	40,366	329	42,257	303
\$50,000 under \$60,000.....	64,080	338	65,612	522	31,715	238	33,024	230
\$60,000 under \$70,000.....	65,354	596	56,270	380	31,561	227	25,679	310
\$70,000 under \$80,000.....	58,572	523	50,753	384	25,055	227	19,860	183
\$80,000 under \$90,000.....	42,580	411	54,884	355	23,579	235	18,275	135
\$90,000 under \$100,000.....	61,511	479	51,429	490	16,329	276	25,862	405
\$100,000 under \$125,000.....	136,189	1,444	124,090	1,156	40,229	502	39,015	506
\$125,000 under \$150,000.....	142,824	2,095	136,684	1,124	36,721	739	31,745	642
\$150,000 under \$175,000.....	150,443	1,721	137,194	1,120	24,922	671	26,051	563
\$175,000 under \$200,000.....	102,232	1,051	92,568	826	16,614	480	15,981	439
\$200,000 under \$300,000.....	195,958	2,570	175,533	1,910	31,950	949	32,111	1,001
\$300,000 under \$400,000.....	82,846	1,146	86,606	960	17,644	504	19,535	546
\$400,000 under \$500,000.....	43,858	789	48,067	729	9,760	430	9,202	451
\$500,000 under \$1,000,000.....	84,682	1,627	92,164	1,553	20,152	1,741	22,832	1,743
\$1,000,000 under \$1,500,000.....	21,771	697	23,804	564	7,436	984	7,555	991
\$1,500,000 under \$2,000,000.....	10,703	387	11,058	321	3,645	647	3,571	640
\$2,000,000 under \$5,000,000.....	15,871	993	16,640	788	6,874	2,039	6,978	1,993
\$5,000,000 under \$10,000,000.....	4,480	624	4,484	407	2,303	1,084	2,364	1,109
\$10,000,000 and over.....	3,125	1,089	3,112	844	2,142	3,884	2,154	3,911

Size of income	Pensions and annuities in AGI [1]		Pensions and annuities [1]		Total statutory adjustments			
	2005 Adjusted Gross Income		1979 Income Concept		2005 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total.....	27,139,041	532,422	29,416,357	832,215	33,591,124	109,397	17,201,449	87,855
Under \$10,000.....	2,414,394	12,618	2,254,261	12,608	4,276,883	5,745	349,222	3,858
\$10,000 under \$20,000.....	4,394,369	42,874	4,405,972	43,477	4,199,579	6,066	888,032	5,957
\$20,000 under \$30,000.....	3,378,816	44,716	4,022,497	57,812	3,550,102	6,219	1,461,688	7,980
\$30,000 under \$40,000.....	2,747,805	43,542	3,293,659	58,542	3,202,211	6,366	1,728,220	8,618
\$40,000 under \$50,000.....	2,379,138	43,483	2,637,467	54,193	2,924,209	6,700	1,759,429	7,982
\$50,000 under \$60,000.....	2,126,259	44,185	2,144,808	49,578	2,540,427	5,965	1,813,914	7,756
\$60,000 under \$70,000.....	1,873,157	42,646	1,786,578	45,110	2,143,966	5,478	1,535,438	6,196
\$70,000 under \$80,000.....	1,570,968	39,048	1,405,635	36,631	1,817,153	4,626	1,330,669	5,392
\$80,000 under \$90,000.....	1,272,324	35,238	1,249,404	37,502	1,495,151	4,690	1,235,825	5,298
\$90,000 under \$100,000.....	981,353	27,848	1,007,211	31,216	1,370,508	5,087	1,001,387	4,173
\$100,000 under \$125,000.....	1,530,857	49,627	1,591,933	58,715	2,294,808	9,851	1,651,277	7,448
\$125,000 under \$150,000.....	804,700	30,139	964,456	42,834	1,249,145	6,208	866,898	3,959
\$150,000 under \$175,000.....	477,956	19,538	612,053	33,418	614,290	4,381	484,240	2,649
\$175,000 under \$200,000.....	272,015	11,203	408,787	25,191	342,757	3,372	279,146	1,666
\$200,000 under \$300,000.....	482,333	22,198	793,134	67,157	696,664	8,791	453,829	3,386
\$300,000 under \$400,000.....	161,159	7,627	318,989	40,737	278,659	4,664	154,095	1,649
\$400,000 under \$500,000.....	77,396	4,050	157,214	25,992	155,869	2,941	70,697	754
\$500,000 under \$1,000,000.....	121,794	6,216	238,123	51,281	267,144	6,032	100,067	1,589
\$1,000,000 under \$1,500,000.....	30,458	1,886	56,258	18,976	69,413	1,914	17,798	468
\$1,500,000 under \$2,000,000.....	13,477	858	24,283	11,671	31,646	924	6,864	207
\$2,000,000 under \$5,000,000.....	19,901	1,639	31,104	16,222	48,910	1,753	9,469	463
\$5,000,000 under \$10,000,000.....	5,053	534	8,219	11,375	12,892	606	2,095	193
\$10,000,000 and over.....	3,357	709	4,313	1,979	8,738	1,017	1,151	215

Footnotes at end of table

Table B--All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979**Income Concept, 2005--Continued**

[All figures are estimates based on samples--money amounts are in millions of dollars]

Size of income	Total itemized deductions				Taxable income			
	2005 Adjusted Gross Income		1979 Income Concept		2005 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
All returns, total.....	47,755,427	1,121,811	47,735,371	1,064,959	104,330,653	5,137,166	104,330,653	5,137,166
Under \$10,000.....	950,957	13,524	1,047,670	13,339	5,138,641	8,356	5,109,987	9,544
\$10,000 under \$20,000.....	2,425,054	33,982	2,614,472	32,579	15,065,978	84,239	15,114,536	85,235
\$20,000 under \$30,000.....	3,562,371	50,443	3,906,260	51,192	17,096,284	198,732	17,688,751	210,944
\$30,000 under \$40,000.....	4,363,179	63,750	4,604,749	62,372	13,558,278	263,351	14,020,956	284,977
\$40,000 under \$50,000.....	4,630,770	71,017	4,556,894	65,383	10,471,822	285,012	10,406,809	298,157
\$50,000 under \$60,000.....	4,569,385	76,797	4,496,597	72,305	8,401,429	292,529	8,260,161	297,872
\$60,000 under \$70,000.....	4,303,849	77,442	3,992,679	68,035	6,921,160	295,533	6,507,100	285,549
\$70,000 under \$80,000.....	3,773,052	71,860	3,537,799	63,648	5,536,041	280,801	5,117,141	262,200
\$80,000 under \$90,000.....	3,383,906	68,634	3,193,108	62,197	4,429,290	259,582	4,190,334	245,892
\$90,000 under \$100,000.....	2,772,686	60,008	2,592,573	54,331	3,370,005	223,792	3,188,221	210,673
\$100,000 under \$125,000.....	4,632,017	113,558	4,369,578	101,886	5,292,158	421,552	5,055,356	397,656
\$125,000 under \$150,000.....	2,615,379	74,310	2,583,208	68,581	2,886,767	291,517	2,889,151	281,233
\$150,000 under \$175,000.....	1,498,331	47,342	1,532,979	45,600	1,612,455	197,975	1,672,500	194,758
\$175,000 under \$200,000.....	935,673	32,718	969,446	31,456	990,777	143,684	1,053,245	143,308
\$200,000 under \$300,000.....	1,682,823	68,374	1,816,727	68,300	1,781,193	346,962	1,966,674	347,683
\$300,000 under \$400,000.....	594,760	31,080	697,491	32,506	631,992	186,212	757,060	194,206
\$400,000 under \$500,000.....	300,289	18,732	354,085	19,921	319,849	123,986	383,840	129,137
\$500,000 under \$1,000,000.....	482,243	41,720	558,974	43,507	523,352	313,446	611,111	325,070
\$1,000,000 under \$1,500,000.....	116,261	16,410	133,545	16,969	127,680	138,340	146,176	143,387
\$1,500,000 under \$2,000,000.....	50,933	9,713	57,972	9,931	56,504	87,812	63,952	89,346
\$2,000,000 under \$5,000,000.....	77,611	24,227	83,888	24,669	83,885	226,493	90,625	230,961
\$5,000,000 under \$10,000,000.....	20,453	14,065	21,125	14,126	21,381	132,899	23,120	134,197
\$10,000,000 and over.....	13,443	42,104	13,552	42,128	13,732	334,360	13,845	335,180

Size of income	Total tax credits				Total income tax			
	2005 Adjusted Gross Income		1979 Income Concept		2005 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
All returns, total.....	42,246,181	55,316	42,246,181	55,316	90,593,081	934,836	90,593,081	934,836
Under \$10,000.....	866,346	72	844,558	85	4,528,414	880	4,522,114	1,085
\$10,000 under \$20,000.....	4,962,654	1,436	4,994,868	1,475	11,741,197	7,386	11,752,559	7,478
\$20,000 under \$30,000.....	7,620,905	5,122	7,674,694	5,148	11,744,511	18,371	12,386,349	19,834
\$30,000 under \$40,000.....	5,514,036	5,571	5,602,902	5,641	11,106,472	27,285	11,527,836	30,248
\$40,000 under \$50,000.....	4,500,971	5,596	4,381,305	5,555	9,325,210	32,877	9,292,173	35,037
\$50,000 under \$60,000.....	3,330,447	5,320	3,448,382	5,385	7,933,831	36,414	7,795,195	37,221
\$60,000 under \$70,000.....	3,043,162	5,187	2,922,524	4,997	6,698,871	37,895	6,290,836	36,906
\$70,000 under \$80,000.....	2,627,453	4,602	2,511,169	4,418	5,455,168	36,635	5,036,998	34,612
\$80,000 under \$90,000.....	2,172,305	3,878	2,153,230	3,849	4,379,473	35,464	4,139,301	33,618
\$90,000 under \$100,000.....	1,690,072	2,851	1,627,891	2,766	3,353,816	32,403	3,166,505	30,601
\$100,000 under \$125,000.....	2,539,826	3,878	2,408,013	3,650	5,281,176	67,978	5,038,734	64,170
\$125,000 under \$150,000.....	1,135,500	1,136	1,180,346	1,207	2,884,189	52,855	2,877,138	50,690
\$150,000 under \$175,000.....	512,545	432	558,279	475	1,611,052	38,572	1,666,559	37,602
\$175,000 under \$200,000.....	284,853	221	318,652	241	990,967	30,063	1,051,314	29,586
\$200,000 under \$300,000.....	590,384	1,029	647,400	1,029	1,780,620	79,599	1,961,672	78,146
\$300,000 under \$400,000.....	241,235	595	290,677	694	631,808	47,093	755,470	48,102
\$400,000 under \$500,000.....	140,740	481	158,578	493	319,801	32,703	383,517	33,528
\$500,000 under \$1,000,000.....	277,210	1,506	309,815	1,645	523,401	84,700	610,838	87,226
\$1,000,000 under \$1,500,000.....	76,685	887	85,690	949	127,627	38,053	146,459	39,289
\$1,500,000 under \$2,000,000.....	35,443	606	39,604	636	56,495	23,942	63,946	24,402
\$2,000,000 under \$5,000,000.....	56,941	1,684	60,592	1,732	83,865	60,872	90,598	62,070
\$5,000,000 under \$10,000,000.....	15,583	861	16,041	880	21,378	34,529	23,113	34,861
\$10,000,000 and over.....	10,884	2,365	10,970	2,367	13,741	78,269	13,855	78,523

[1] Individual Retirement Arrangements are included in the calculation of "Pensions and annuities."

NOTE Detail may not add to totals because of rounding

base years were fully included in this new income measure, the largest of which was capital gains. The full amount of all capital gains, as well as all dividends and unemployment compensation, was included in the income calculation. Total pensions, annuities, IRA distributions, and roll-overs were added, including the non-taxable portions that were excluded from AGI. Social security benefits were omitted because they were not reported on tax returns until 1984. Also, any depreciation in excess of straight-line depreciation, which was subtracted in computing AGI, was added back.

Deductions that could be subtracted in the calculation of the 1979 Income Concept were limited to employee business expenses, alimony paid, and moving expenses. These same items were also subtracted in computing AGI until 1987 when unreimbursed business expenses and moving expenses were changed from adjustments to itemized deductions. Starting in 1994, moving expenses were once more made an adjustment to income. The amounts reported for employee business expenses by taxpayers who itemized deductions were subtracted in the calculation of the 1979 Income Concept. Taxpayers who did not itemize deductions, however, could not claim this expense (as well as moving expenses prior to 1994). For this reason, the deduction for these two expenses beginning in 1987 is not completely comparable to that for previous years.

Comparison of AGI with 1979 Income Concept

The Tax Reform Act of 1986 (TRA 86) made extensive changes to the calculation of AGI beginning with 1987. These changes made necessary a revision of the calculation of the 1979 Income Concept, in order to make tax years beginning with 1987 comparable to the base years, 1979 through 1986. The law changes limited the deduction of passive losses and eliminated unreimbursed employee business expenses and moving expenses as "adjustments" (moving expenses changed back for 1994) in figuring AGI beginning with Tax Year 1987. Since passive losses had been fully deductible for both income measures prior to 1987, the disallowed passive

losses had to be deducted in the 1979 Income Concept calculation for tax years after 1986.

Some income items, such as capital gains, that had been partially excluded from AGI under prior law were fully included. The new law also eliminated or restricted some deductions. Therefore, if AGI is used to measure income, comparisons between 1986 income and tax data with that for years after 1986 are misleading. A more accurate comparison can be made using the 1979 Income Concept because it measures income in the same way for all years. Table B shows total income and selected tax items for 2005 using AGI and the 1979 Income Concept, classified by size of 2005 income.

Before TRA 86 became effective, a comparison of income measured by AGI with that measured by the 1979 Income Concept showed significant differences at income levels of \$200,000 or more. But, with the elimination of preferential treatment of various income items by TRA 86, such as the exclusion of a portion of capital gains, much of the difference disappeared. Under tax law prior to 1987, the capital gains exclusion accounted for the largest difference at the higher income levels between the two income measures. For 2005, 1979 Concept income was 2.5 percent higher than income as calculated using AGI. This difference was primarily attributed to the inclusion of more than \$299.8 billion in nontaxable pensions and annuities (including IRA distributions) in the 1979 Income Concept.

Income for all returns, using the 1979 Income Concept, increased 9.4 percent for 2005; income for the \$200,000 and above group increased 24.8 percent. Total income tax for all returns increased 12.4 percent in 2005 after an increase of 11.2 percent in 2004; and total income tax reported for the \$200,000 and above income group increased 23.3 percent for 2005, down slightly from the 23.8 percent increase for 2004. The average tax rates (income tax as a percentage of total income) for each income class and both income concepts for years 1986 through 2004 are shown in Figure 4.

For the population as a whole, average tax rates for 2005 (based on the 1979 Income Concept) were 0.3 percentage points higher than those for

2004. Between 1986 and 2005, the average tax rates declined in all income categories below \$1,000,000. The \$1,000,000 or more income category showed an increase in average tax rates between 1986 and 2005 of 0.4 percentage points. Although the average tax rate for 2005 was

calculated using a lower maximum marginal tax rate of 35.0 percent compared to 50 percent for 1986, it was calculated on income that included all capital gains (long-term gains could be partially excluded from income for 1986).

Figure 4--Total Income Tax as a Percentage of Adjusted Gross Income and the 1979 Income Concept, 1986-2005

Size of 2005 AGI	Total income tax as a percentage of adjusted gross income																			
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total.....	14.8	13.3	13.4	13.3	13.1	12.9	13.1	13.5	13.7	14.0	14.5	14.7	14.6	15.0	15.4	14.4	13.2	12.1	12.3	12.6
Under \$10,000.....	4.3	4.0	4.0	3.8	3.7	3.5	3.2	3.0	3.0	3.0	3.1	3.2	2.9	3.0	3.3	2.4	2.3	2.1	2.4	2.5
\$10,000 under \$20,000.....	7.8	6.8	6.5	6.4	6.1	5.5	5.1	4.9	4.8	4.7	4.6	4.3	4.3	4.1	4.1	3.4	2.6	2.4	2.3	2.2
\$20,000 under \$30,000.....	10.6	9.4	9.3	9.3	9.1	8.7	8.4	8.2	8.1	7.9	7.7	7.6	6.8	6.7	6.5	5.9	4.7	4.2	4.1	4.0
\$30,000 under \$40,000.....	12.2	10.6	10.9	10.9	10.6	10.5	10.2	10.1	10.0	9.8	9.7	9.6	8.8	8.6	8.5	8.0	6.7	6.1	5.8	5.6
\$40,000 under \$50,000.....	13.8	11.8	11.6	11.5	11.4	11.0	10.8	10.7	10.8	10.7	10.8	10.7	10.0	9.8	9.8	9.4	8.1	7.4	7.2	6.9
\$50,000 under \$60,000.....	15.5	13.5	13.2	12.9	12.4	12.1	11.6	11.5	11.4	11.4	11.3	11.3	10.7	10.6	10.6	10.2	9.2	8.5	8.1	7.8
\$60,000 under \$70,000.....	16.9	15.1	14.5	14.2	13.8	13.2	12.9	12.7	12.6	12.5	12.3	12.1	11.4	11.2	11.2	10.8	9.6	9.0	8.5	8.4
\$70,000 under \$80,000.....	18.7	16.5	15.6	15.3	14.9	14.4	14.0	13.9	13.8	13.6	13.6	13.4	12.6	12.4	12.1	11.6	10.6	9.4	9.0	8.8
\$80,000 under \$90,000.....	19.9	17.8	16.6	16.2	15.8	15.4	15.0	15.1	14.9	14.6	14.6	14.4	13.5	13.5	13.5	12.9	11.6	10.1	9.5	9.4
\$90,000 under \$100,000.....	20.8	18.8	17.4	17.3	16.6	16.0	15.9	15.7	15.9	15.8	15.4	15.2	14.8	14.5	14.4	13.7	12.7	11.0	10.5	10.1
\$100,000 under \$125,000.....	23.1	20.1	18.8	18.4	17.5	17.3	16.9	17.0	17.0	16.9	16.7	16.5	16.0	15.8	15.8	15.2	14.2	12.4	12.0	11.5
\$125,000 under \$150,000.....	25.2	21.8	20.3	19.8	19.2	18.6	18.7	18.6	18.6	18.3	18.4	17.7	17.7	17.6	17.4	16.8	16.0	14.2	13.7	13.4
\$150,000 under \$175,000.....	28.0	23.0	21.6	21.1	20.4	19.8	19.6	19.7	19.9	19.9	19.8	19.3	18.8	19.0	18.6	18.2	17.3	15.4	15.1	14.8
\$175,000 under \$200,000.....	29.3	23.9	22.5	21.8	21.1	21.0	20.7	21.2	21.4	20.9	20.5	20.0	20.0	19.9	19.1	18.4	16.8	16.4	16.2	16.2
\$200,000 under \$300,000.....	31.1	25.8	23.7	22.8	22.6	22.7	22.9	23.8	23.9	23.8	23.4	22.9	22.4	22.4	22.4	21.6	21.0	19.2	18.9	18.6
\$300,000 under \$400,000.....	33.7	27.0	24.0	23.6	23.7	24.3	24.4	26.9	26.9	26.8	26.6	26.1	25.4	25.4	25.0	24.7	24.2	22.4	22.1	21.6
\$400,000 under \$500,000.....	36.2	28.2	24.1	23.9	23.6	24.9	25.3	28.4	28.6	28.7	28.2	27.4	26.9	26.7	26.6	26.1	25.7	23.8	23.2	22.9
\$500,000 under \$1,000,000.....	38.4	29.0	24.6	24.0	24.0	25.7	26.0	30.0	30.2	30.2	30.1	29.0	28.2	28.4	28.3	28.1	27.9	24.9	24.3	23.8
\$1,000,000 or more.....	40.2	28.6	25.0	24.2	24.1	26.2	26.8	31.2	31.1	31.4	30.8	28.8	27.5	27.9	27.7	28.3	28.5	24.8	23.4	23.0

Size of 2005 Income	Total income tax as a percentage of 1979 Income Concept																			
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total.....	13.3	13.1	13.3	13.2	13.0	12.7	12.8	13.3	13.5	13.8	14.3	14.5	14.2	14.6	15.0	14.1	12.9	11.8	12.0	12.3
Under \$10,000.....	4.9	4.2	4.4	4.3	4.3	4.0	3.5	3.2	3.2	3.1	3.2	3.4	3.1	3.2	3.6	2.9	3.0	2.8	3.0	3.7
\$10,000 under \$20,000.....	7.6	6.7	6.5	6.4	6.1	5.5	5.1	4.8	4.8	4.7	4.6	4.4	4.2	4.1	4.0	3.4	2.6	2.4	2.3	2.2
\$20,000 under \$30,000.....	10.0	9.3	9.3	9.3	9.1	8.7	8.3	8.2	8.1	7.9	7.8	7.6	6.9	6.8	6.6	6.1	4.8	4.4	4.2	4.1
\$30,000 under \$40,000.....	11.6	10.7	10.7	10.9	10.7	10.5	10.2	10.2	10.1	10.1	10.0	9.8	9.1	8.9	9.0	8.4	7.1	6.5	6.2	6.0
\$40,000 under \$50,000.....	12.6	11.7	11.7	11.5	11.5	11.1	10.9	10.8	11.0	11.0	11.1	11.0	10.3	10.1	10.2	9.9	8.5	7.8	7.6	7.4
\$50,000 under \$60,000.....	13.8	13.4	13.2	12.9	12.5	12.0	11.6	11.6	11.6	11.6	11.6	11.5	11.0	10.9	10.9	10.6	9.5	8.7	8.4	8.1
\$60,000 under \$70,000.....	14.9	15.0	14.5	14.2	13.8	13.2	12.9	12.7	12.7	12.5	12.5	12.4	11.4	11.4	11.5	11.1	9.8	9.1	8.7	8.7
\$70,000 under \$80,000.....	15.8	16.2	15.4	15.2	14.6	14.2	13.7	13.7	13.6	13.6	13.5	13.3	12.6	12.4	12.3	11.8	10.8	9.5	9.1	9.0
\$80,000 under \$90,000.....	16.7	17.5	16.1	16.2	15.5	15.1	14.6	14.7	14.6	14.4	14.5	14.2	13.3	13.4	13.4	12.9	11.5	10.1	9.6	9.4
\$90,000 under \$100,000.....	16.8	18.1	17.1	16.8	16.1	15.5	15.2	15.3	15.4	15.5	15.2	15.2	14.5	14.0	14.2	13.6	12.7	11.0	10.4	10.1
\$100,000 under \$125,000.....	18.3	19.3	18.0	17.7	16.9	16.6	16.2	16.3	16.3	16.2	16.1	16.0	15.2	15.4	15.4	14.9	13.8	12.0	11.7	11.3
\$125,000 under \$150,000.....	19.0	20.6	19.6	18.8	18.0	17.3	17.2	17.7	17.4	17.4	17.3	16.7	16.6	16.6	16.6	16.2	15.2	13.6	13.0	12.8
\$150,000 under \$175,000.....	19.3	21.2	20.6	20.0	19.1	18.3	17.8	18.0	18.5	18.1	18.4	18.2	17.1	17.5	17.5	17.0	15.9	14.3	14.1	13.8
\$175,000 under \$200,000.....	20.3	22.5	21.6	20.7	20.0	18.6	19.0	19.1	19.4	19.2	18.9	18.8	18.1	18.4	18.0	17.8	16.8	15.3	14.9	15.0
\$200,000 under \$300,000.....	22.6	23.8	22.3	21.5	21.4	20.5	20.2	21.4	21.5	21.5	21.3	20.4	19.4	19.9	20.2	19.5	18.5	17.1	17.0	16.4
\$300,000 under \$400,000.....	22.6	24.5	22.6	21.9	21.5	21.6	21.6	23.5	23.7	23.7	23.1	24.0	21.5	21.3	21.7	21.3	20.5	19.2	18.9	18.4
\$400,000 under \$500,000.....	23.4	26.5	23.2	22.7	22.3	23.0	21.4	25.4	24.8	25.1	25.0	24.3	22.6	23.2	21.5	22.2	21.8	20.2	19.7	19.5
\$500,000 under \$1,000,000.....	23.7	26.7	23.5	22.0	21.7	23.5	22.6	26.3	26.1	26.7	27.1	26.1	24.3	24.0	24.3	24.2	23.7	21.7	20.7	21.0
\$1,000,000 or more.....	21.4	26.8	24.5	23.2	23.2	25.2	26.1	29.5	30.1	30.4	29.8	27.5	26.2	26.1	26.0	27.0	26.7	23.4	22.3	21.8

Section 2

Description of the Sample

This section describes the sample design and selection, the method of estimation, the sampling variability of the estimates, and the methodology of computing confidence intervals.

Domain of Study

The statistics in this report are estimates from a probability sample of unaudited Individual Income Tax Returns, Forms 1040, 1040A, and 1040EZ (including electronic returns) filed by U.S. citizens and residents during Calendar Year 2006.

All returns processed during 2006 were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later, while amended returns were excluded because the original returns had already been subjected to sampling. A small percentage of returns were not identified as tentative or amended until after sampling. These returns, along with those that contained no income information, were excluded in calculating estimates. This resulted in a small difference between the population total (134,494,440 returns) reported in Table C and the estimated total of all returns (134,372,678)

reported in other tables.

The estimates in this report are intended to represent all returns filed for Tax Year 2005. While most of the returns processed during Calendar Year 2006 were for Tax Year 2005, the remaining returns were mostly for prior years, and a few for non-calendar years ending during 2006 and 2007. Returns for prior years were used in place of 2005 returns received and processed after December 31, 2006. This was done based on the assumption that the characteristics of returns due, but not yet processed, can best be represented by the returns for previous income years that were processed in 2006.

Sample Design and Selection

The sample design is a stratified probability sample, in which the population of tax returns is classified into subpopulations, called strata, and a sample is randomly selected independently from each stratum. Strata are defined by:

1. Nontaxable (including no alternative minimum tax) with adjusted gross income or expanded income of \$200,000 or more.

Valerie Testa, and Jana Scali designed the sample and prepared the text and tables in this section under the direction of Yahia Ahmed, Chief, Mathematical Statistics Section, Statistical Computing Branch.

2. High combined business and farm total receipts of \$50,000,000 or more.
3. Presence or absence of special Forms or Schedules (Form 2555, Form 1116, Form 1040 Schedule C, and Form 1040 Schedule F).
4. Indexed positive or negative income. Sixty variables are used to derive positive and negative incomes. These positive and negative income classes are deflated using the Chain-Type Price Index for the Gross Domestic Product to represent a base year of 1991. (See footnote 1 for details.)
5. Potential usefulness of the return for tax policy modeling. Thirty-two variables are used to determine how useful the return is for tax modeling purposes.

Table C shows the population and sample count for each stratum after collapsing some strata with the same sampling rates. (See references 1 and 2 for details.) The sampling rates range from 0.10 percent to 100 percent.

Tax data processed to the IRS Individual Master File at the Enterprise Computing Center at Martinsburg during Calendar Year 2006 were used to assign each taxpayer's record to the appropriate stratum and to determine whether or not the record should be included in the sample. Records are selected for the sample either if they possess certain combinations of the four ending digits of the social security number, or if their ending five digits of an eleven-digit number generated by a mathematical transformation of the SSN is less than or equal to the stratum sampling rate times 100,000. (See reference 3 for details.)

Data Capture and Cleaning

Data capture for the SOI sample begins with the designation of a sample of administrative records. While the sample was being selected, the process was continually monitored for sample selection and data collection errors. In addition, a small subsample of returns was selected and independently reviewed, analyzed, and processed

for a quality evaluation.

The administrative data and controlling information for each record designated for this sample was loaded onto an online database at the Cincinnati Submission Processing Center. Computer data for the selected administrative records were then used to identify inconsistencies, questionable values, and missing values as well as any additional variables that an editor needed to extract for each record. The editors use a hardcopy of the taxpayer's return to enter the required information onto the online system.

After the completion of service center review, data were further validated, tested, and balanced. Adjustments and imputations for selected fields based on prior year data and other available information were used to make each record internally consistent. Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness in light of provisions of the tax law, taxpayer reporting variations and limitations, economic conditions, and comparability with other statistical series.

Some returns designated for the sample were not available for SOI processing because other areas of IRS needed the return at the same time. For Tax Year 2005, 0.10 percent of the sample returns were unavailable.

Method of Estimation

Weights were obtained by dividing the population count of returns in a stratum by the number of sample returns for that stratum. The weights were adjusted to correct for misclassified returns. These weights were applied to the sample data to produce all of the estimates in this report.

Sampling Variability and Confidence Intervals

The sample used in this study is one of a large number of samples that could have been selected using the same sample design. The estimates calculated from these different samples would vary. The standard error (SE) of an estimate is a measure of the variation among the estimates from the possible samples and, thus, is a measure of the

precision with which an estimate from a particular sample approximates the average of the estimates calculated from all possible samples.

The standard error may be expressed as a percentage of the value being estimated. This ratio is called the coefficient of variation (CV). Tables 1.4 CV, 2.1 CV, and 3.3 CV contain estimated CV's for the estimates included in Tables 1.4, 2.1, and 3.3 of this report.

The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that the interval includes the population value. If all possible samples were selected under essentially the same conditions and an estimate and its estimated standard error were calculated from each sample, then:

1. About 68 percent of the intervals from one standard error below the estimate to one standard error above the estimate would include the population value. This is a 68 percent confidence interval.
2. About 95 percent of the intervals from two standard errors below the estimate to two standard errors above the estimate would include the population value. This is a 95 percent confidence interval.

For example, from Table 1.4, the estimate for State Income Tax Refunds, X, is \$22.205 billion, and its related coefficient of variation, CV(X), is 0.77 percent. The standard error of the estimate, SE(X), needed to construct the confidence interval estimate, is:

$$\begin{aligned} SE(X) &= X \cdot CV(X) \\ &= (\$22.205 \times 10^9) \cdot (0.0077) \\ &= \$0.171 \text{ billion} \end{aligned}$$

The p percent confidence interval is calculated using the formula:

$$X \pm z \cdot SE(X)$$

where z takes the value 1, 2, or 3 when p is 68, 95,

or 99, respectively. Based on these data, the 68 percent confidence interval is from \$22.034 billion to \$22.376 billion, the 95 percent confidence interval is from \$21.863 billion to \$22.547 billion, and the 99 percent confidence interval is from \$21.692 billion to \$22.718 billion.

Table Presentation

Whenever a weighted frequency is less than 3, the estimate and its corresponding amount are combined or deleted in order to avoid disclosure of information for specific taxpayers. (The combined or deleted data, if any, are included in the corresponding column totals.) These combinations and deletions are indicated by a double asterisk (**). Estimates based on less than 10 sampled returns are considered to be unreliable. These estimates are noted by a single asterisk (*) to the left of the data unless all of the sampled returns are selected with certainty (at the 100 percent rate).

In the tables, a dash (-) in place of a frequency or an amount indicates that either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any of the sampled returns.

Footnote

- [1] Indexing of positive and negative income is done by dividing each by the ratio of the Chain-Type Price Index for the Gross Domestic Product for the fourth quarter of 2004 to the fourth quarter of the base year of 1991. The indices were calculated using the Gross Domestic Product (GDP) Chain-type Price Index found in the table titles "Quantity and Price Indexes for Gross Domestic Product" released to the public on November 30, 2005 on the BEA web site (<http://www.bea.doc.gov/>).

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- [2] Schirm, A. L., and Czajka, J. L. (1991), "Alternative Designs for a Cross-Sectional Sample of Individual Tax Returns: the Old and the New," *Proceedings of the Section on Survey Research Methods*, American Statistical Association, 163-168.
- [3] Harte, J.M. (1986), "Some Mathematical and Statistical Aspects of the Transformed Taxpayer Identification Number: A Sample Selection Tool Used at IRS," *Proceedings of the Section on Survey Research Methods*, American Statistical Association, 603-608.

Table C.—Number of Individual Income Tax Returns in the Population and Sample by Sampling Strata for 2005

Description of the sample strata		Number of Returns by type of form attached										Number of returns	
		Form 1040, with Form 1116 or Form 2555		Form 1040, with Schedule C but without Form 1116 or Form 2555		Form 1040, with Schedule F but without Schedule C, Form 1116 or Form 2555		Form 1040, with other Schedules and Forms and Forms 1040A and 1040EZ				Population counts ¹	Sample counts
Degree of interest ²	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total	All	4,284,788	61,013	20,813,190	57,365	1,407,010	5,671	107,976,672	156,137			134,494,440	292,966
Indexed Negative Income ³	All	217	217	671	671	97	97	814	814			12,550	230
\$10,000,000 or more	All	402	402	965	965	188	188	1,261	1,261			230	280,186
\$5,000,000 under \$10,000,000	All	1,831	585	3,928	1,305	654	234	4,988	1,616				
\$2,000,000 under \$5,000,000	All	4,054	645	8,814	1,402	1,586	257	10,018	1,549				
\$1,000,000 under \$2,000,000	All	9,845	310	23,463	746	4,362	136	24,704	833				
\$500,000 under \$1,000,000	All	19,806	203	56,568	530	10,098	94	58,307	564				
\$250,000 under \$500,000	All	35,556	176	121,465	660	17,399	90	130,453	651				
\$120,000 under \$250,000	All	40,857	130	166,936	553	19,466	78	199,002	572				
\$60,000 under \$120,000	All	41,233	78	457,232	868	37,402	76	858,945	1,656				
Under \$60,000	All												
Indexed Positive Income ³	All												
Under \$30,000	1												
Under \$30,000	2	197,051	204	2,611,879	2,650	89,378	84	30,444,833	30,497			30,444,833	30,497
Under \$30,000	3-4	230,222	361	4,408,123	6,695	133,661	211	26,046,587	25,913			28,944,895	28,851
\$30,000 under \$60,000	1-2	402,885	419	1,925,464	1,893	166,353	178	5,460,294	8,393			10,232,300	15,660
\$30,000 under \$60,000	3-4	452,589	690	3,660,439	5,617	243,641	390	21,248,325	21,321			23,743,027	23,811
\$60,000 under \$120,000	1-3	691,802	693	2,200,594	2,249	220,474	223	5,898,461	9,454			10,255,130	16,151
\$60,000 under \$120,000	4	532,957	816	2,623,422	4,003	190,337	263	10,729,625	10,609			13,842,695	13,774
\$120,000 under \$250,000	1-3	218,897	429	365,057	737	86,499	170	2,999,844	4,478			6,346,560	9,560
\$120,000 under \$250,000	4	643,231	2,178	1,449,248	4,782	90,347	268	1,073,621	2,151			1,744,074	3,487
\$250,000 under \$500,000	All	412,531	2,943	519,045	3,819	67,059	460	1,904,356	6,345			4,087,182	13,573
\$500,000 under \$1,000,000	All	199,495	4,871	152,260	3,934	20,409	505	626,369	4,433			1,625,004	11,655
\$1,000,000 under \$2,000,000	All	85,879	10,383	40,305	4,970	5,384	614	177,374	4,307			549,538	13,617
\$2,000,000 under \$5,000,000	All	43,239	14,071	13,401	4,405	1,720	559	52,923	6,514			184,491	22,481
\$5,000,000 under \$10,000,000	All	11,924	11,924	2,676	2,676	340	340	19,351	6,189			77,711	25,224
\$10,000,000 or more	All	8,285	8,285	1,235	1,235	156	156	4,058	1,959			18,998	18,998
	All											11,635	11,635

¹ This population includes an estimated 963,940 returns that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling.

² Each population member is assigned a degree of interest based on how useful it is for tax modeling purposes. Degree of interest ranges from one (1) to four (4), with a one being assigned to returns that are the least interesting, and a four being assigned to those that are the most interesting. "All" refers to income classes for which returns with all four degrees of interest are assigned.

³ Positive and Negative Income classes are divided by a Chain-Type Price Index for the Gross Domestic Product of 1.2510 to represent a base year of 1991.

Section 3

Basic Tables

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Tony Hall and Lori Hentz were responsible for programming the Basic Tables. Table 1.4CV, 2.1CV, and 3.3CV were programmed by Valerie Testa. Review of tables was performed by Michael Parisi and Justin Bryan.

Section 3

Basic Tables

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Table 1.1--Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars except as indicated)

Size and accumulated size of adjusted gross income	All returns					Taxable returns				
	Number of returns	Percent of total	Adjusted gross income less deficit		Number of returns	Percent of total	Adjusted gross income less deficit		Percent of total	Average income tax (dollars)
			Amount	Percent of total			Amount	Percent of total		
Size of Adjusted Gross Income	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Total	134,372,678	100.0	7,422,495,664	100.0	55,238	90,593,081	100.0	6,856,723,096	100.0	
No adjusted gross income	1,761,041	1.3	-85,463,023	[1]	-48,530	4,882	[2]	-6,680,199	[1]	
\$1 under \$5,000	11,476,416	8.5	30,196,720	0.4	2,631	813,194	0.9	2,089,538	[2]	
\$5,000 under \$10,000	12,114,237	9.0	90,568,218	1.2	7,476	3,710,338	4.1	28,358,318	0.4	
\$10,000 under \$15,000	11,635,684	8.7	145,219,763	2.0	12,481	5,752,739	6.4	71,728,138	1.0	
\$15,000 under \$20,000	11,126,599	8.3	194,302,122	2.6	17,463	5,988,458	6.6	105,047,337	1.5	
\$20,000 under \$25,000	9,784,167	7.3	219,347,656	3.0	22,419	5,886,278	6.5	132,098,628	1.9	
\$25,000 under \$30,000	8,738,107	6.5	239,954,732	3.2	27,461	5,858,233	6.5	161,375,547	2.4	
\$30,000 under \$40,000	13,940,405	10.4	483,976,301	6.5	34,718	11,106,472	12.3	386,912,319	5.6	
\$40,000 under \$50,000	10,618,506	7.9	475,518,617	6.4	44,782	9,325,210	10.3	418,057,613	6.1	
\$50,000 under \$75,000	18,351,037	13.7	1,127,666,344	15.2	61,450	17,491,819	19.3	1,077,176,944	15.7	
\$75,000 under \$100,000	10,449,989	7.8	900,479,217	12.1	86,170	10,329,339	11.4	890,290,583	13.0	
\$100,000 under \$200,000	10,810,367	8.0	1,430,580,576	19.3	132,334	10,767,383	11.9	1,425,107,929	20.8	
\$200,000 under \$500,000	2,737,802	2.0	788,882,363	10.6	288,144	2,732,229	3.0	787,268,561	11.5	
\$500,000 under \$1,000,000	524,506	0.4	355,220,796	4.8	677,248	523,401	0.6	354,470,899	5.2	
\$1,000,000 under \$1,500,000	127,925	0.1	154,799,533	2.1	1,210,080	127,627	0.1	154,441,949	2.3	
\$1,500,000 under \$2,000,000	56,615	[2]	97,512,430	1.3	1,722,378	56,495	0.1	97,304,198	1.4	
\$2,000,000 under \$5,000,000	84,070	0.1	250,611,839	3.4	2,980,990	83,865	0.1	249,968,692	3.6	
\$5,000,000 under \$10,000,000	21,431	[2]	146,846,621	2.0	6,852,066	21,378	[2]	146,474,725	2.1	
\$10,000,000 or more	13,776	[2]	376,274,843	5.1	27,313,795	13,741	[2]	375,231,378	5.5	
Taxable returns--continued										
Size and accumulated size of adjusted gross income	Taxable income					Income tax after credits				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of total	Average income tax (dollars)	Total income tax
Total	90,570,564	5,023,778,024	100.0	90,593,079	934,835,345	100.0	934,835,769	100.0	18.6	10,319
No adjusted gross income	-	-	[1]	4,882	133,370	[2]	133,370	[2]	[1]	27,319
\$1 under \$5,000	812,820	831,616	[2]	813,194	72,794	[2]	72,794	[2]	8.8	90
\$5,000 under \$10,000	3,709,277	7,015,578	0.1	3,710,338	673,689	0.1	673,689	0.1	3.5	182
\$10,000 under \$15,000	5,752,706	25,313,406	0.5	5,752,739	2,418,513	0.3	2,418,513	0.3	9.6	420
\$15,000 under \$20,000	5,988,431	47,482,696	0.9	5,988,458	4,967,119	0.5	4,967,119	0.5	10.5	829
\$20,000 under \$25,000	5,886,223	68,097,481	1.4	5,886,278	7,663,320	0.8	7,663,320	0.8	11.3	58
\$25,000 under \$30,000	5,858,185	93,313,615	1.9	5,858,233	10,707,197	1.1	10,707,197	1.1	11.5	1,828
\$30,000 under \$40,000	11,106,368	236,966,822	4.7	11,106,472	27,284,639	2.9	27,284,639	2.9	11.5	2,457
\$40,000 under \$50,000	9,324,900	267,742,679	5.3	9,325,210	32,877,218	3.5	32,877,218	3.5	12.3	3,526
\$50,000 under \$75,000	17,489,662	715,392,720	14.2	17,491,819	92,824,047	9.9	92,824,047	9.9	13.0	5,307
\$75,000 under \$100,000	10,325,226	619,386,318	12.3	10,329,339	85,986,423	9.2	85,986,486	9.2	13.9	8,324
\$100,000 under \$200,000	10,760,740	1,053,604,785	21.0	10,767,383	189,468,358	20.3	189,468,358	20.3	18.0	17,597
\$200,000 under \$500,000	2,730,413	656,545,274	13.1	2,732,229	159,395,393	17.1	159,395,393	17.1	24.3	58,339
\$500,000 under \$1,000,000	522,787	313,129,523	6.2	523,400	84,700,059	9.1	84,700,059	9.1	27.0	161,826
\$1,000,000 under \$1,500,000	127,538	138,196,850	2.8	127,627	38,052,580	4.1	38,052,580	4.1	27.5	298,155
\$1,500,000 under \$2,000,000	56,449	87,728,850	1.7	56,495	23,941,620	2.6	23,941,620	2.6	27.3	423,783
\$2,000,000 under \$5,000,000	83,770	226,189,457	4.5	83,865	60,871,399	6.5	60,871,399	6.5	26.9	725,829
\$5,000,000 under \$10,000,000	21,352	132,744,670	2.6	21,377	34,528,949	3.7	34,528,949	3.7	26.0	1,615,166
\$10,000,000 or more	13,719	334,095,685	6.7	13,741	78,268,656	8.4	78,268,719	8.4	23.4	5,695,999

Footnotes at end of table

Table 1.1--Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars except as indicated)

Size and accumulated size of adjusted gross income	All returns				Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit		Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total			Amount	Percent of total
(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
Accumulated from Smallest Size of Adjusted Gross Income								
No adjusted gross income	1,761,041	1.3	-85,463,023	[1]	4,882	[2]	-6,680,199	[1]
\$1 under \$5,000	11,476,416	8.5	30,196,719	0.4	813,194	0.9	2,089,538	[2]
\$1 under \$10,000	23,590,651	17.6	120,764,937	1.6	4,523,532	5.0	30,447,856	0.4
\$1 under \$15,000	35,226,335	26.2	265,984,700	3.6	10,276,272	11.3	102,175,993	1.5
\$1 under \$20,000	46,352,934	34.5	460,286,821	6.2	16,264,729	18.0	207,223,330	3.0
\$1 under \$25,000	56,137,101	41.8	679,634,478	9.2	22,151,007	24.5	339,321,958	4.9
\$1 under \$30,000	64,875,208	48.3	919,589,209	12.4	12,107	30.9	500,697,505	7.3
\$1 under \$40,000	78,815,613	58.7	1,403,565,510	18.9	28,009,240	43.2	887,609,825	12.9
\$1 under \$50,000	89,434,119	66.6	1,879,084,127	25.3	39,115,712	53.5	1,305,667,437	19.0
\$1 under \$75,000	107,785,156	80.2	3,006,750,471	40.5	48,440,922	72.8	2,382,844,381	34.8
\$1 under \$100,000	118,235,145	88.0	3,907,229,687	52.6	65,932,741	84.2	3,273,134,964	47.7
\$1 under \$200,000	129,045,512	96.0	5,337,810,263	71.9	76,262,080	96.1	4,698,242,893	68.5
\$1 under \$500,000	131,783,314	98.1	6,126,692,626	82.5	87,029,463	99.1	5,485,511,454	80.0
\$1 under \$1,000,000	132,307,820	98.5	6,481,913,421	87.3	89,761,693	99.7	5,839,982,353	85.2
\$1 under \$1,500,000	132,435,745	98.6	6,636,712,955	89.4	90,285,094	99.8	5,994,424,302	87.4
\$1 under \$2,000,000	132,492,360	98.6	6,734,225,385	90.7	90,469,215	99.9	6,091,728,500	88.8
\$1 under \$5,000,000	132,576,430	98.7	6,984,837,223	94.1	90,553,080	100.0	6,341,697,192	92.5
\$1 under \$10,000,000	132,597,861	98.7	7,131,683,844	96.1	90,574,458	100.0	6,488,171,917	94.6
\$1 or more	132,611,637	98.7	7,507,958,686	101.2	90,598,199	100.0	6,863,403,295	100.1
All returns	134,372,678	100.0	7,422,495,564	100.0	90,593,081	100.0	6,856,723,096	100.0
Taxable returns--continued								
Size and accumulated size of adjusted gross income	Taxable income			Income tax after credits			Total income tax	
	Number of returns	Amount	Percentage of total	Number of returns	Amount	Percentage of total	Taxable income	Average income tax (dollars)
(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(40)
Accumulated from Smallest Size of Adjusted Gross Income								
No adjusted gross income	--	--	[1]	4,882	[2]	133,370	[1]	27,319
\$1 under \$5,000	812,819	831,614	[2]	813,194	2	72,795	[2]	3.5
\$1 under \$10,000	4,522,097	7,847,192	0.2	4,523,532	746,484	0.1	95	165
\$1 under \$15,000	10,274,802	33,160,599	0.7	10,276,272	3,164,998	0.3	308	308
\$1 under \$20,000	16,263,234	80,643,296	1.6	16,264,729	8,132,117	0.9	500	500
\$1 under \$25,000	22,149,456	148,740,777	3.0	22,151,007	15,795,437	1.7	713	713
\$1 under \$30,000	28,007,641	242,054,392	4.8	28,009,240	26,502,634	2.8	946	946
\$1 under \$40,000	39,114,008	479,021,214	9.5	39,115,712	53,787,273	5.8	1,375	1,375
\$1 under \$50,000	48,438,909	746,763,894	14.9	48,440,922	86,664,491	9.3	1,789	1,789
\$1 under \$75,000	65,928,570	1,462,156,613	29.1	65,932,741	179,488,538	19.2	2,722	2,722
\$1 under \$100,000	76,253,797	2,081,542,931	41.4	76,262,080	265,474,961	28.4	3,481	3,481
\$1 under \$200,000	87,014,536	3,135,147,716	62.4	87,029,463	454,943,319	48.7	5,227	5,227
\$1 under \$500,000	89,744,949	3,791,692,990	75.5	89,761,693	614,338,712	65.7	6,844	6,844
\$1 under \$1,000,000	90,267,736	4,104,822,513	81.7	90,285,093	699,038,770	74.8	7,743	7,743
\$1 under \$1,500,000	90,395,274	4,243,019,363	84.5	90,412,719	737,091,413	78.8	8,153	8,153
\$1 under \$2,000,000	90,451,723	4,330,748,213	86.2	90,469,214	761,032,970	81.4	8,412	8,412
\$1 under \$5,000,000	90,535,493	4,556,937,670	90.7	90,553,079	821,904,369	87.9	9,076	9,076
\$1 under \$10,000,000	90,556,845	4,689,682,339	93.3	90,574,456	856,433,318	91.6	9,456	9,456
\$1 or more	90,570,564	5,023,778,024	100.0	90,588,197	934,701,975	100.0	10,318	10,318
All returns	90,570,564	5,023,778,024	100.0	90,593,079	934,835,345	100.0	10,319	10,319

Footnotes at end of table.

Table 1.1--Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars except as indicated)

Size and accumulated size of adjusted gross income	All returns				Taxable returns					
	Number of returns	Percent of total	Adjusted gross income less deficit		Number of returns	Percent of total	Adjusted gross income less deficit			
			Amount	Percent of total			Amount	Percent of total		
									Average (dollars)	
(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)		
Accumulated from Largest Size of Adjusted Gross Income										
\$10,000,000 or more.	13,776	[2]	376,274,843	5.1	27,313,795	13,741	[2]	375,231,378	5.5	
\$5,000,000 or more	35,207	[2]	523,121,463	7.0	14,858,450	35,119	[2]	521,706,103	7.6	
\$2,000,000 or more	119,277	0.1	773,733,302	10.4	6,486,861	118,984	0.1	771,674,795	11.3	
\$1,500,000 or more	175,892	0.1	871,245,732	11.7	4,953,299	175,479	0.2	868,978,993	12.7	
\$1,000,000 or more	303,817	0.2	1,026,045,265	13.8	3,377,182	303,106	0.3	1,023,420,942	14.9	
\$500,000 or more	828,323	0.6	1,381,266,061	18.6	1,667,545	826,507	0.9	1,377,891,841	20.1	
\$200,000 or more	3,566,125	2.7	2,170,148,423	29.2	6,084,545	3,558,736	3.9	2,165,160,402	31.6	
\$100,000 or more	14,376,492	10.7	3,600,728,999	48.5	250,460	14,326,119	15.8	3,590,268,331	52.4	
\$75,000 or more	24,826,481	18.5	4,501,208,216	60.6	181,307	24,655,458	27.2	4,480,558,914	65.3	
\$50,000 or more	43,177,518	32.1	5,628,874,559	75.8	130,366	42,147,278	46.5	5,557,735,858	81.1	
\$40,000 or more.	53,796,024	40.0	6,104,393,176	82.2	113,473	51,472,487	56.8	5,975,793,470	87.2	
\$30,000 or more	67,736,429	50.4	6,588,369,477	88.8	97,265	62,578,959	69.1	6,362,705,790	92.8	
\$25,000 or more	76,474,536	56.9	6,828,324,209	92.0	89,289	68,437,192	75.5	6,524,081,337	95.1	
\$20,000 or more	86,258,703	64.2	7,047,671,865	95.0	81,704	74,323,470	82.0	6,656,179,965	97.1	
\$15,000 or more	97,385,302	72.5	7,241,973,987	97.6	74,364	80,311,927	88.7	6,761,227,302	98.6	
\$10,000 or more	109,020,986	81.1	7,387,193,749	99.5	67,759	86,064,667	95.0	6,832,955,439	99.7	
\$5,000 or more	121,135,222	90.1	7,477,761,968	100.7	61,731	89,775,005	99.1	6,861,313,757	100.1	
\$1 or more	132,611,637	98.7	7,507,958,686	101.2	56,616	90,588,199	100.0	6,863,403,295	100.1	
All returns.....	134,372,878	100.0	7,422,495,664	100.0	55,238	90,593,081	100.0	6,856,723,096	100.0	
Taxable returns--continued										
Size and accumulated size of adjusted gross income	Taxable income			Income tax after credits			Total income tax			
	Number of returns	Amount	Percentage of total	Number of returns	Amount	Percentage of total	Amount	Percentage of		
								Total	Average income tax (dollars)	
										Adjusted gross income less deficit
(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Accumulated from Largest Size of Adjusted Gross Income										
\$10,000,000 or more	13,719	334,095,685	6.7	13,741	78,268,656	8.4	78,268,719	8.4	23.4	5,695,999
\$5,000,000 or more.	35,071	466,840,355	9.3	35,118	112,797,605	12.1	112,797,730	12.1	24.2	3,211,872
\$2,000,000 or more.	118,841	693,029,812	13.8	118,983	173,669,005	18.6	173,669,366	18.6	25.1	1,459,603
\$1,500,000 or more	175,290	780,758,662	15.5	175,478	197,610,624	21.1	197,610,986	21.1	25.3	1,126,123
\$1,000,000 or more	302,828	918,955,511	18.3	303,105	235,663,204	25.2	235,663,566	25.2	25.6	777,496
\$500,000 or more.	825,615	1,232,085,035	24.5	826,505	320,363,263	34.3	320,363,625	34.3	26.0	387,612
\$200,000 or more.	3,556,028	1,888,630,309	37.6	3,568,734	479,758,656	51.3	479,759,018	51.3	25.4	134,812
\$100,000 or more	14,316,768	2,942,235,094	58.6	14,326,117	669,227,014	71.6	669,227,376	71.6	22.7	46,714
\$75,000 or more	24,641,994	3,561,621,411	70.9	24,655,456	755,213,437	80.8	755,213,862	80.8	21.2	30,631
\$50,000 or more	42,131,656	4,277,014,131	85.1	42,147,276	848,037,483	90.7	848,037,908	90.7	19.8	20,121
\$40,000 or more	51,456,556	4,544,756,810	90.5	51,472,485	880,914,702	94.2	880,915,127	94.2	19.4	17,114
\$30,000 or more	62,562,924	4,781,723,632	95.2	62,578,957	908,199,340	97.2	908,199,765	97.2	19.0	14,513
\$25,000 or more	68,421,108	4,875,037,247	97.0	68,437,190	918,906,538	98.3	918,906,963	98.3	18.8	13,427
\$20,000 or more	74,307,331	4,943,134,728	98.4	74,323,468	926,569,858	99.1	926,570,283	99.1	18.7	12,467
\$15,000 or more	80,295,762	4,990,617,426	99.3	80,311,925	931,536,977	99.6	931,537,401	99.6	18.7	11,599
\$10,000 or more	86,048,468	5,015,930,832	99.8	86,064,665	933,955,490	99.9	933,955,915	99.9	18.6	10,852
\$5,000 or more	89,757,745	5,022,946,410	100.0	89,775,003	934,629,179	100.0	934,629,604	100.0	18.6	10,411
\$1 or more	90,570,564	5,023,778,024	100.0	90,588,197	934,701,975	100.0	934,702,399	100.0	18.6	10,318
All returns.....	90,570,564	5,023,778,024	100.0	90,593,079	934,835,345	100.0	934,835,769	100.0	18.6	10,319

[1] Percentage not computed

[2] Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding.

Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	All returns												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total.....	134,372,678	7,422,495,663	839,904,186	47,755,427	1,121,810,935	84,841,222	580,747,711	104,330,653	5,137,165,874	90,593,079	934,835,345	90,593,081	934,835,769
No adjusted gross income.....	1,761,041	-85,463,023	9,179,786	--	--	--	--	--	--	4,882	133,370	4,882	133,370
\$1 under \$5,000.....	11,476,415	30,196,719	29,228,913	339,901	4,770,434	11,134,021	49,529,841	831,655	840,792	813,194	72,795	813,194	72,795
\$5,000 under \$10,000.....	12,114,236	90,568,218	49,134,708	611,056	8,753,500	11,502,174	68,927,968	4,306,986	7,514,711	3,710,338	673,689	3,710,338	673,689
\$10,000 under \$15,000.....	11,635,684	145,219,763	62,213,026	1,049,971	14,217,288	10,585,057	69,200,692	6,716,497	27,841,440	5,752,740	2,418,514	5,752,740	2,418,514
\$15,000 under \$20,000.....	11,126,599	194,302,121	64,880,926	1,375,084	19,764,976	9,750,522	66,964,484	8,349,482	56,397,904	5,988,457	4,967,119	5,988,457	4,967,119
\$20,000 under \$25,000.....	9,784,167	219,347,656	60,157,164	1,635,440	23,093,617	8,147,728	56,604,332	8,783,347	85,498,398	5,886,278	7,663,320	5,886,278	7,663,320
\$25,000 under \$30,000.....	8,738,107	239,954,732	54,751,803	1,926,931	27,349,343	6,811,176	48,004,855	8,312,937	113,233,998	5,858,233	10,707,197	5,858,233	10,707,197
\$30,000 under \$40,000.....	13,940,405	483,976,301	90,311,024	4,363,179	63,750,322	9,574,571	70,365,544	13,558,278	263,351,029	11,106,472	27,284,639	11,106,472	27,284,639
\$40,000 under \$50,000.....	10,618,506	475,518,617	73,729,020	4,630,770	71,017,053	5,986,088	47,592,330	10,471,822	285,012,456	9,325,210	32,877,218	9,325,210	32,877,218
\$50,000 under \$75,000.....	18,351,037	1,127,666,344	143,101,480	10,824,518	190,828,603	7,526,518	66,487,707	18,237,299	730,304,487	17,491,819	92,824,047	17,491,819	92,824,047
\$75,000 under \$100,000.....	10,449,989	900,479,216	91,747,257	7,978,361	163,912,142	2,470,617	23,784,568	10,420,626	621,931,963	10,329,339	85,986,423	10,329,339	85,986,486
\$100,000 under \$200,000.....	10,810,367	1,430,580,576	98,329,559	9,681,401	267,928,010	1,125,928	11,160,320	10,782,157	1,054,728,764	10,767,383	189,468,358	10,767,383	189,468,358
\$200,000 under \$500,000.....	2,737,802	788,882,363	13,138,692	2,577,872	118,186,053	159,625	1,497,407	2,733,034	657,160,850	2,732,229	159,395,393	2,732,229	159,395,393
\$500,000 under \$1,000,000.....	524,506	355,220,796	574	482,243	41,719,994	42,082	388,302	523,352	313,445,881	523,400	84,700,059	523,401	84,700,059
\$1,000,000 under \$1,500,000.....	127,925	154,799,533	107	116,261	16,410,416	11,664	111,775	127,680	138,339,811	127,627	38,052,580	127,627	38,052,580
\$1,500,000 under \$2,000,000.....	56,615	97,512,430	55	50,933	9,712,622	5,681	54,186	56,504	87,812,010	56,495	23,941,620	56,495	23,941,620
\$2,000,000 under \$5,000,000.....	84,070	250,611,839	62	77,611	24,226,834	6,459	61,377	83,885	226,492,549	83,865	60,871,399	83,865	60,871,637
\$5,000,000 under \$10,000,000.....	21,431	146,846,621	19	20,453	14,065,260	977	8,997	21,381	132,899,011	21,377	34,528,949	21,378	34,529,011
\$10,000,000 or more.....	13,776	376,274,843	9	13,443	42,104,467	333	3,026	13,732	334,359,818	13,741	78,268,656	13,741	78,268,719
Taxable returns, total.....	90,593,081	6,856,723,096	528,892,944	41,165,626	973,890,948	49,409,433	338,763,913	90,570,564	5,023,778,024	90,593,079	934,835,345	90,593,081	934,835,769
No adjusted gross income.....	4,882	-6,680,199	34,226	--	--	--	--	--	--	4,882	133,370	4,882	133,370
\$1 under \$5,000.....	813,194	2,089,537	9,700	11,261	25,772	801,279	1,235,514	812,819	831,614	813,194	72,795	813,194	72,795
\$5,000 under \$10,000.....	3,710,338	28,358,319	3,338,201	26,804	102,773	3,682,529	17,920,881	3,709,277	7,015,578	3,710,338	673,689	3,710,338	673,689
\$10,000 under \$15,000.....	5,752,740	71,728,137	15,877,993	277,545	2,051,382	5,474,539	28,486,369	5,752,705	25,313,407	5,752,740	2,418,514	5,752,740	2,418,514
\$15,000 under \$20,000.....	5,988,457	105,047,337	20,815,988	636,495	5,732,125	5,350,968	31,019,495	5,988,432	47,482,697	5,988,457	4,967,119	5,988,457	4,967,119
\$20,000 under \$25,000.....	5,886,278	132,098,628	23,303,852	905,049	9,326,824	4,980,230	31,374,336	5,886,222	68,097,481	5,886,278	7,663,320	5,886,278	7,663,320
\$25,000 under \$30,000.....	5,858,233	161,375,547	24,636,013	1,228,440	13,822,542	4,629,793	29,605,598	5,858,185	93,313,615	5,858,233	10,707,197	5,858,233	10,707,197
\$30,000 under \$40,000.....	11,106,472	386,912,319	55,142,038	3,271,249	40,265,030	7,832,568	54,548,985	11,106,368	236,966,822	11,106,472	27,284,639	11,106,472	27,284,639
\$40,000 under \$50,000.....	9,325,210	418,057,612	55,213,338	3,863,857	52,628,190	5,459,704	42,495,418	9,324,900	267,742,679	9,325,210	32,877,218	9,325,210	32,877,218
\$50,000 under \$75,000.....	17,491,819	1,077,176,944	129,734,349	10,108,338	166,981,696	7,383,482	65,091,907	17,489,662	715,392,720	17,491,819	92,824,047	17,491,819	92,824,047
\$75,000 under \$100,000.....	10,329,339	890,290,583	89,781,788	7,860,996	157,498,195	2,467,332	23,751,858	10,325,226	619,386,318	10,329,339	85,986,423	10,329,339	85,986,486
\$100,000 under \$200,000.....	10,767,383	1,425,107,929	97,887,654	9,642,837	262,858,730	1,121,512	11,119,533	10,760,740	1,053,604,785	10,767,383	189,468,358	10,767,383	189,468,358
\$200,000 under \$500,000.....	2,732,229	787,268,561	13,116,982	2,573,290	116,859,532	158,636	1,489,087	2,730,413	656,545,274	2,732,229	159,395,393	2,732,229	159,395,393
\$500,000 under \$1,000,000.....	523,401	354,470,899	571	481,355	41,170,729	41,865	386,560	522,787	313,129,523	523,400	84,700,059	523,401	84,700,059
\$1,000,000 or more.....	303,106	1,023,420,942	253	278,109	104,567,429	24,996	238,372	302,828	918,955,511	303,105	235,663,204	303,106	235,663,567
Nontaxable returns, total.....	43,779,597	565,772,568	311,011,242	6,589,801	147,919,988	35,431,790	241,983,798	13,760,089	113,387,849	--	--	--	--

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Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status--Continued
(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of married persons filing jointly																			Total income tax	
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax									
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount								
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)								
All returns, total.....	52,505,729	4,948,002,076	496,925,243	28,298,436	782,555,986	23,676,473	246,455,115	44,958,044	3,549,102,642	40,081,458	671,177,225	40,081,459	671,177,610								
No adjusted gross income	528,968	-53,663,287	5,044,155	-	-	-	-	-	-	2,819	96,906	2,819	96,906								
\$1 under \$5,000	758,216	1,957,268	6,433,030	90,092	1,864,645	666,940	7,078,080	-	-	* 344	* 6,153	* 344	* 6,153								
\$5,000 under \$10,000	1,228,195	9,481,955	10,705,688	143,493	2,749,065	1,084,701	11,477,649	-	-	* 1,058	* 2,334	* 1,058	* 2,334								
\$10,000 under \$15,000	1,772,123	22,328,692	16,342,157	214,821	4,034,967	1,556,646	16,579,699	* 656	* 569	* 670	* 277	* 670	* 277								
\$15,000 under \$20,000	2,405,649	42,212,582	22,151,100	372,754	6,996,327	2,032,887	21,611,927	630,723	844,418	557,644	72,305	557,644	72,305								
\$20,000 under \$25,000	2,325,710	52,183,975	21,843,930	451,424	8,325,828	1,874,287	19,704,501	1,599,814	6,398,690	1,061,950	458,411	1,061,950	458,411								
\$25,000 under \$30,000	2,343,131	64,465,825	22,862,124	532,539	9,602,428	1,810,592	18,845,436	2,050,999	15,175,246	1,081,465	903,197	1,081,465	903,197								
\$30,000 under \$40,000	4,618,093	161,475,345	45,660,617	1,278,262	23,497,353	3,339,831	34,511,500	4,364,313	59,938,743	2,826,553	4,096,184	2,826,553	4,096,184								
\$40,000 under \$50,000	4,635,351	208,582,547	46,451,338	1,695,845	30,801,607	2,939,506	30,142,284	4,551,214	102,328,516	3,587,071	8,315,362	3,587,071	8,315,362								
\$50,000 under \$75,000	11,384,967	709,179,401	112,121,060	6,237,153	117,425,355	5,147,813	52,866,904	11,301,572	429,186,686	10,605,815	44,267,633	10,605,815	44,267,633								
\$75,000 under \$100,000	8,295,031	716,603,742	82,584,415	6,215,996	129,689,641	2,079,035	21,546,294	8,275,146	483,449,015	8,185,559	59,890,569	8,185,559	59,890,569								
\$100,000 under \$200,000	9,196,606	1,218,869,048	91,924,235	8,224,471	229,006,135	972,133	10,273,530	9,174,366	889,028,298	9,161,709	154,053,096	9,161,709	154,053,096								
\$200,000 under \$500,000	2,321,167	669,094,746	12,800,610	2,200,994	100,548,754	120,173	1,276,318	2,317,948	555,399,124	2,317,452	134,187,048	2,317,452	134,187,048								
\$500,000 under \$1,000,000	441,070	298,790,180	554	409,622	34,869,957	31,448	327,605	440,291	263,866,793	440,361	72,161,471	440,361	72,161,471								
\$1,000,000 under \$1,500,000	106,003	128,440,316	99	96,342	13,332,809	9,662	100,727	105,818	115,057,026	105,804	31,934,763	105,804	31,934,763								
\$1,500,000 under \$2,000,000	47,384	81,669,946	54	42,790	8,057,767	4,594	47,954	47,308	73,613,031	47,311	20,287,098	47,311	20,287,098								
\$2,000,000 under \$5,000,000	69,650	207,389,332	52	64,413	19,602,573	5,237	54,463	69,517	187,854,967	69,515	50,977,917	69,515	50,977,917								
\$5,000,000 under \$10,000,000	17,416	119,227,825	19	16,674	11,147,774	742	7,689	17,383	108,134,616	17,376	28,347,211	17,376	28,347,211								
\$10,000,000 or more	11,000	289,712,638	8	10,753	31,003,001	247	2,555	10,977	258,826,903	10,982	61,119,553	10,982	61,119,553								
Taxable returns, total.....	40,081,459	4,697,594,522	353,533,359	24,886,463	696,287,281	15,191,512	158,590,392	40,065,754	3,495,164,904	40,081,458	671,177,225	40,081,459	671,177,610								
No adjusted gross income	2,819	-4,380,532	25,025	-	-	-	-	-	-	2,819	96,906	2,819	96,906								
\$1 under \$5,000	* 344	* 853	* 2,586	* 333	* 9,611	* 12	* 118	-	-	* 344	* 6,153	* 344	* 6,153								
\$5,000 under \$10,000	* 1,058	* 7,652	* 9,684	* 402	* 10,162	* 655	* 6,226	-	-	* 1,058	* 2,334	* 1,058	* 2,334								
\$10,000 under \$15,000	* 670	* 9,150	* 8,516	* 11	* 510	* 3	* 31	* 656	* 569	* 670	* 277	* 670	* 277								
\$15,000 under \$20,000	557,644	10,364,546	3,573,370	29,405	334,188	528,231	5,695,419	557,619	764,538	557,644	72,305	557,644	72,305								
\$20,000 under \$25,000	1,061,950	23,788,504	6,929,169	137,029	1,811,624	924,922	10,160,940	1,061,896	4,890,360	1,061,950	458,411	1,061,950	458,411								
\$25,000 under \$30,000	1,081,465	29,794,695	7,190,902	217,228	3,182,160	864,237	9,345,868	1,081,446	10,077,408	1,081,465	903,197	1,081,465	903,197								
\$30,000 under \$40,000	2,826,553	99,606,233	20,911,953	656,042	10,431,983	2,170,510	22,811,400	2,826,490	45,452,524	2,826,553	4,096,184	2,826,553	4,096,184								
\$40,000 under \$50,000	3,587,071	161,931,570	30,400,842	1,115,505	18,084,782	2,471,566	25,462,392	3,586,912	87,993,865	3,587,071	8,315,362	3,587,071	8,315,362								
\$50,000 under \$75,000	10,605,815	663,305,710	99,513,635	5,589,903	96,939,564	5,015,912	51,548,880	10,604,913	415,317,144	10,605,815	44,267,633	10,605,815	44,267,633								
\$75,000 under \$100,000	8,185,559	707,387,421	80,674,644	6,109,810	124,384,442	2,075,750	21,513,584	8,182,131	480,927,809	8,185,559	59,890,569	8,185,559	59,890,569								
\$100,000 under \$200,000	9,161,709	1,214,507,677	91,511,920	8,193,276	224,837,545	968,433	10,236,492	9,156,880	888,234,123	9,161,709	154,053,096	9,161,709	154,053,096								
\$200,000 under \$500,000	2,317,452	668,020,875	12,780,328	2,197,906	99,670,026	119,547	1,270,003	2,316,116	554,980,733	2,317,452	134,187,048	2,317,452	134,187,048								
\$500,000 under \$1,000,000	440,361	298,307,211	554	409,035	34,502,099	31,326	326,378	439,923	263,669,325	440,361	72,161,471	440,361	72,161,471								
\$1,000,000 or more	250,987	824,942,958	231	230,578	82,086,584	20,409	212,663	250,773	742,856,505	250,987	192,666,281	250,988	192,666,605								
Non-taxable returns, total.....	12,424,270	250,407,554	143,391,884	3,411,973	86,268,705	8,484,961	87,864,723	4,892,291	53,937,738	-	-	-	-								

Footnotes at end of table

Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of married persons filing separately											
	Total itemized deductions			Standard deduction			Taxable income			Income tax after credits		
	Number of returns	Exemption amount	Adjusted gross income less deficit	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns
(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All returns, total.....	2,482,804	134,515,546	10,390,681	1,159,594	22,065,892	1,228,466	6,196,043	2,108,481	102,778,324	2,004,781	20,344,814	2,004,781
No adjusted gross income	63,256	4,813,382	270,204	--	--	--	--	--	--	395	9,476	395
\$1 under \$5,000	140,185	352,788	538,813	18,508	100,439	121,018	600,410	* 2,193	* 974	* 2,193	* 100	* 2,193
\$5,000 under \$10,000	149,124	1,122,911	544,403	17,643	107,398	130,475	662,655	54,613	60,377	50,625	5,474	50,625
\$10,000 under \$15,000	158,655	1,995,131	637,029	30,071	262,639	128,584	656,914	133,328	546,645	123,526	51,426	123,526
\$15,000 under \$20,000	210,406	3,674,343	841,525	58,781	510,184	150,639	755,642	198,275	1,682,377	168,766	168,988	168,766
\$20,000 under \$25,000	224,736	5,077,731	977,285	70,342	639,920	153,396	769,936	216,889	2,745,673	198,424	291,030	198,424
\$25,000 under \$30,000	233,122	6,421,117	995,572	82,789	983,764	150,333	752,854	226,983	3,833,729	214,379	434,251	214,379
\$30,000 under \$40,000	428,494	14,899,303	1,991,363	213,591	2,233,319	212,248	1,071,043	425,811	9,655,129	401,851	1,162,521	401,851
\$40,000 under \$50,000	** 727,817	** 42,712,159	1,245,826	** 554,383	** 15,143,165	** 180,778	** 921,314	** 723,998	** 30,417,885	267,415	1,148,323	267,415
\$50,000 under \$75,000	**	**	1,559,680	**	**	**	**	**	**	334,073	2,460,711	334,073
\$75,000 under \$100,000	**	**	487,878	**	**	**	**	**	**	116,964	1,486,787	116,964
\$100,000 under \$200,000	89,711	11,524,892	301,121	79,487	2,085,064	**	**	89,321	9,129,254	89,201	2,177,460	89,201
\$200,000 under \$500,000	** 37,299	** 51,548,553	--	** 33,999	** 6,962,306	**	**	** 37,073	** 44,706,280	24,330	1,608,098	24,330
\$500,000 under \$1,000,000	**	**	2	**	**	** 994	** 5,275	**	**	5,908	923,073	5,908
\$1,000,000 under \$1,500,000	**	**	--	**	**	**	**	**	**	2,088	580,671	2,088
\$1,500,000 under \$2,000,000	**	**	--	**	**	**	**	**	**	1,248	494,180	1,248
\$2,000,000 under \$5,000,000	**	**	--	**	**	**	**	**	**	1,966	1,386,564	1,966
\$5,000,000 under \$10,000,000	**	**	--	**	**	**	**	**	**	705	1,049,557	705
\$10,000,000 or more	**	**	1	**	**	**	**	**	**	724	4,906,124	724
Taxable returns, total.....	2,004,781	133,658,086	7,961,687	1,053,933	19,855,728	939,624	4,749,662	2,003,933	101,776,595	2,004,781	20,344,814	2,004,781
No adjusted gross income	395	-581,165	1,319	--	--	--	--	--	--	395	9,476	395
\$1 under \$5,000	* 2,193	* 8,816	7,019	2,190	824	--	--	* 2,193	* 974	* 2,193	* 100	* 2,193
\$5,000 under \$10,000	50,625	436,105	151,156	5,628	6,951	43,992	221,936	50,625	56,062	50,625	5,474	50,625
\$10,000 under \$15,000	123,526	1,557,294	405,915	14,553	73,344	108,972	559,753	123,526	518,282	123,526	51,426	123,526
\$15,000 under \$20,000	168,766	2,961,020	556,435	43,392	236,789	124,388	624,383	168,766	1,543,413	168,766	168,988	168,766
\$20,000 under \$25,000	198,424	4,494,636	758,334	59,478	430,393	137,947	692,992	198,423	2,613,192	198,424	291,030	198,424
\$25,000 under \$30,000	214,379	5,915,390	852,125	73,001	670,664	141,378	708,082	214,379	3,684,519	214,379	434,251	214,379
\$30,000 under \$40,000	401,851	13,971,409	1,705,026	195,552	1,871,702	203,645	1,028,292	401,851	9,366,389	401,851	1,162,521	401,851
\$40,000 under \$50,000	** 718,452	** 42,271,236	1,206,900	** 548,009	** 7,880,722	** 178,335	** 909,090	** 718,142	** 30,308,262	267,415	1,148,323	267,415
\$50,000 under \$75,000	**	**	1,528,851	**	**	**	**	**	**	334,073	2,460,711	334,073
\$75,000 under \$100,000	**	**	487,829	**	**	**	**	**	**	116,964	1,486,787	116,964
\$100,000 under \$200,000	89,201	11,434,309	300,778	79,084	1,996,429	**	**	89,144	9,104,288	89,201	2,177,460	89,201
\$200,000 under \$500,000	** 36,968	** 51,189,037	--	** 33,045	** 6,687,911	**	**	** 36,885	** 44,581,215	24,330	1,608,098	24,330
\$500,000 under \$1,000,000	**	**	--	**	**	** 966	** 5,135	**	**	5,908	923,073	5,908
\$1,000,000 or more	**	**	1	**	**	**	**	**	**	6,731	8,417,096	6,731
Nontaxable returns, total.....	458,024	857,460	2,428,994	105,661	2,210,164	288,842	1,446,381	104,548	1,001,728	--	--	--

Footnotes at end of table

Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of head of households										Total income tax	
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Number of returns
	(40)	(41)	(42)	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	(51)
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)
All returns, total.....	19,985,059	587,679,205	162,926,282	4,305,419	76,811,422	15,540,936	113,743,486	13,213,465	280,605,827	6,572,893	34,023,646	6,572,893
No adjusted gross income . . .	138,704	-3,085,678	1,386,640	--	--	--	--	--	--	205	5,037	205
\$1 under \$5,000	934,807	2,780,006	7,322,763	22,491	304,206	912,316	6,666,315	--	--	--	--	--
\$5,000 under \$10,000	2,163,219	16,749,585	17,010,843	56,105	748,259	2,107,114	15,428,324	--	--	* 3	* 35	* 3
\$10,000 under \$15,000	2,868,497	35,838,178	24,086,375	98,014	1,318,428	2,770,483	20,281,877	394,700	333,188	69,658	7,963	69,658
\$15,000 under \$20,000	2,753,500	48,182,025	22,886,700	166,454	2,293,318	2,587,045	18,930,556	1,982,846	6,182,554	204,842	77,778	204,842
\$20,000 under \$25,000	2,511,099	56,320,111	21,202,363	294,322	3,835,001	2,216,777	16,209,977	2,356,019	15,720,504	255,878	186,683	255,878
\$25,000 under \$30,000	2,025,881	55,396,289	17,053,367	362,009	4,733,856	1,663,872	12,170,564	1,971,301	21,721,071	576,268	525,981	576,268
\$30,000 under \$40,000	2,630,136	90,679,073	21,638,927	809,800	11,836,045	1,820,337	13,314,853	2,575,667	44,423,047	1,743,555	2,634,677	1,743,555
\$40,000 under \$50,000	1,522,170	68,031,472	12,061,940	724,988	11,162,631	797,182	5,843,799	1,505,078	39,055,402	1,343,020	3,485,521	1,343,020
\$50,000 under \$75,000	1,647,339	98,525,651	12,722,095	1,084,819	19,571,790	562,520	4,133,956	1,639,440	62,185,898	1,594,169	7,457,259	1,594,169
\$75,000 under \$100,000	427,715	36,394,098	3,239,110	353,058	7,627,093	74,658	552,288	427,199	24,984,814	425,511	4,117,170	425,511
\$100,000 under \$200,000	285,783	36,586,820	2,172,619	262,051	7,517,002	23,733	174,856	285,132	26,747,006	283,923	5,446,205	283,923
\$200,000 under \$500,000	58,441	17,039,658	142,541	55,661	2,705,724	2,780	20,486	58,339	14,178,527	58,181	3,686,185	58,181
\$500,000 under \$1,000,000	11,880	8,041,790	--	10,456	1,025,267	1,424	10,519	11,866	7,008,547	11,830	1,833,842	11,830
\$1,000,000 under \$1,500,000	2,165	2,624,272	--	1,893	257,932	272	1,983	2,161	2,364,432	2,151	596,794	2,151
\$1,500,000 under \$2,000,000	1,252	2,122,254	--	1,043	199,816	209	1,550	1,250	1,920,941	1,241	501,224	1,241
\$2,000,000 under \$5,000,000	1,785	5,304,485	--	1,603	449,291	182	1,352	1,783	4,854,887	1,774	1,276,303	1,774
\$5,000,000 under \$10,000,000	437	2,986,558	--	412	252,514	24	184	437	2,733,860	437	698,117	437
\$10,000,000 or more	247	7,162,556	--	241	973,250	6	44	246	6,191,148	247	1,486,877	247
Taxable returns, total.....	6,572,893	360,494,303	46,487,193	2,928,161	54,254,472	3,644,528	26,785,076	6,572,363	233,140,039	6,572,893	34,023,646	6,572,893
No adjusted gross income	205	-148,586	2,503	--	--	--	--	--	--	205	5,037	205
\$1 under \$5,000..	--	--	--	--	--	--	--	--	--	--	--	--
\$5,000 under \$10,000	* 3	* 20	19	3	694	--	--	--	--	* 3	* 35	* 3
\$10,000 under \$15,000	69,658	959,530	350,080	2,324	19,120	67,333	507,217	69,641	83,314	69,658	7,963	69,658
\$15,000 under \$20,000	204,842	3,588,539	1,196,694	14,960	152,484	189,883	1,420,401	204,842	818,959	204,842	77,778	204,842
\$20,000 under \$25,000	255,878	5,828,566	1,602,313	34,320	345,091	221,558	1,638,048	255,878	2,243,113	255,878	186,683	255,878
\$25,000 under \$30,000	576,268	16,055,312	3,605,668	93,765	1,022,771	482,503	3,545,172	576,268	7,881,699	576,268	525,981	576,268
\$30,000 under \$40,000	1,743,555	60,826,500	12,222,398	461,388	5,639,484	1,282,167	9,385,739	1,743,514	33,587,819	1,743,555	2,634,677	1,743,555
\$40,000 under \$50,000	1,343,020	60,194,080	9,921,539	598,446	8,345,732	744,574	5,459,074	1,342,989	36,467,806	1,343,020	3,485,521	1,343,020
\$50,000 under \$75,000	1,594,169	95,503,947	12,067,523	1,040,774	18,064,002	553,395	4,067,435	1,594,169	61,304,987	1,594,169	7,457,259	1,594,169
\$75,000 under \$100,000	425,511	36,210,151	3,216,499	350,853	7,475,202	74,658	552,288	425,510	24,966,303	425,511	4,117,170	425,511
\$100,000 under \$200,000	283,923	36,375,869	2,160,079	260,258	7,392,730	23,666	174,367	283,704	26,656,340	283,923	5,446,205	283,923
\$200,000 under \$500,000	58,181	16,962,356	141,878	55,474	2,665,868	2,707	19,951	58,173	14,135,439	58,181	3,686,185	58,181
\$500,000 under \$1,000,000	11,830	8,007,950	--	10,427	1,015,107	1,403	10,366	11,827	6,983,516	11,830	1,833,842	11,830
\$1,000,000 or more	5,850	20,130,060	--	5,169	2,116,185	681	5,017	5,849	18,010,743	5,850	4,559,309	5,850
Nontaxable returns, total.....	13,412,166	227,184,902	116,439,089	1,377,258	22,556,950	11,896,408	86,958,410	6,641,102	47,465,788	--	--	--

Footnotes at end of table

Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of surviving spouses												Total income tax	
	Number of returns (53)	Adjusted gross income less deficit (54)	Exemption amount (55)	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Number of returns (64)	Amount (65)	
				Number of returns (56)	Amount (57)	Number of returns (58)	Amount (59)	Number of returns (60)	Amount (61)	Number of returns (62)	Amount (63)			
All returns, total.....	71,111	3,881,109	592,891	25,519	689,508	44,586	451,515	45,387	2,603,329	33,793	489,948	33,793	489,948	
No adjusted gross income	1,006	-188,479	7,521	--	--	--	--	--	--	--	--	--	--	
\$1 under \$5,000.	* 3,312	* 8,261	29,671	--	--	3,312	33,125	--	--	--	--	--	--	
\$5,000 under \$10,000.	* 6,536	* 52,067	60,791	1,656	22,203	4,880	48,802	--	--	--	--	--	--	
\$10,000 under \$15,000.	10,955	139,061	99,872	1,301	45,056	9,654	98,551	--	--	--	--	--	--	
\$15,000 under \$20,000.	* 4,934	* 81,996	47,509	--	--	4,934	52,277	* 1,649	* 1,984	--	--	--	--	
\$20,000 under \$25,000.	* 3,326	* 76,219	23,283	1,629	20,394	1,697	17,974	* 2,702	* 15,601	* 1,656	* 783	* 1,656	* 783	
\$25,000 under \$30,000.	* 4,000	* 112,049	28,795	1,005	21,672	2,995	29,949	* 4,000	* 31,633	* 1,997	* 1,084	* 1,997	* 1,084	
\$30,000 under \$40,000.	9,667	352,469	77,582	2,010	30,444	7,657	76,270	9,667	168,173	* 4,648	* 7,066	* 4,648	* 7,066	
\$40,000 under \$50,000.	** 21,690	** 1,284,341	75,787	** 12,811	** 232,364	** 9,364	** 93,645	** 24,846	** 1,069,426	* 6,603	* 14,821	* 6,603	* 14,821	
\$50,000 under \$75,000.	**	**	77,559	**	**	**	**	**	**	9,776	39,565	9,776	39,565	
\$75,000 under \$100,000.	**	**	29,343	**	**	**	**	**	**	* 3,438	* 25,691	* 3,438	* 25,691	
\$100,000 under \$200,000.	3,159	437,178	26,222	2,855	119,119	**	**	**	**	* 3,155	* 53,733	* 3,155	* 53,733	
\$200,000 under \$500,000.	** 2,524	** 1,525,947	** 8,957	** 2,251	** 198,257	** 92	** 925	** 2,521	** 1,316,510	** 2,519	** 347,202	** 2,519	** 347,202	
\$500,000 under \$1,000,000.	**	**	--	**	**	** 92	** 925	**	**	**	**	**	**	
\$1,000,000 under \$1,500,000.	**	**	--	**	**	--	--	**	**	**	**	**	**	
\$1,500,000 under \$2,000,000.	**	**	--	**	**	--	--	**	**	**	**	**	**	
\$2,000,000 under \$5,000,000.	**	**	--	**	**	--	--	**	**	**	**	**	**	
\$5,000,000 under \$10,000,000.	**	**	--	**	**	--	--	**	**	**	**	**	**	
\$10,000,000 or more	**	**	--	**	**	--	--	**	**	**	**	**	**	
Taxable returns, total.....	33,793	3,428,997	253,061	16,662	520,947	17,131	172,021	33,792	2,482,984	33,793	489,948	33,793	489,948	
No adjusted gross income.	--	--	--	--	--	--	--	--	--	--	--	--	--	
\$1 under \$5,000.	--	--	--	--	--	--	--	--	--	--	--	--	--	
\$5,000 under \$10,000.	--	--	--	--	--	--	--	--	--	--	--	--	--	
\$10,000 under \$15,000.	--	--	--	--	--	--	--	--	--	--	--	--	--	
\$15,000 under \$20,000.	--	--	--	--	--	--	--	--	--	--	--	--	--	
\$20,000 under \$25,000.	* 1,656	* 36,132	10,597	--	--	1,656	17,563	* 1,656	* 7,972	* 1,656	* 783	* 1,656	* 783	
\$25,000 under \$30,000.	* 1,997	* 57,138	12,778	--	--	1,997	19,966	* 1,997	* 24,394	* 1,997	* 1,084	* 1,997	* 1,084	
\$30,000 under \$40,000.	* 4,648	* 178,437	35,833	--	--	4,648	46,184	* 4,648	* 96,421	* 4,648	* 7,066	* 4,648	* 7,066	
\$40,000 under \$50,000.	** 19,817	** 1,198,818	51,829	** 11,563	** 206,116	** 8,738	** 87,386	** 22,972	** 1,040,122	* 6,603	* 14,821	* 6,603	* 14,821	
\$50,000 under \$75,000.	**	**	77,559	**	**	**	**	**	**	9,776	39,565	9,776	39,565	
\$75,000 under \$100,000.	**	**	29,333	**	**	**	**	**	**	* 3,438	* 25,691	* 3,438	* 25,691	
\$100,000 under \$200,000...	* 3,155	* 436,557	26,187	2,852	118,643	**	**	**	**	* 3,155	* 53,733	* 3,155	* 53,733	
\$200,000 under \$500,000.	** 2,519	** 1,521,914	8,944	** 2,247	** 196,187	** 92	** 925	** 2,518	** 1,314,074	2,028	102,914	2,028	102,914	
\$500,000 under \$1,000,000.	**	**	--	**	**	** 92	** 925	**	**	* 268	* 51,957	* 268	* 51,957	
\$1,000,000 or more.....	**	**	--	**	**	**	**	**	**	223	192,331	223	192,331	
Nontaxable returns, total.....	37,318	452,113	339,830	8,857	168,562	27,455	279,494	11,594	120,345	--	--	--	--	

Footnotes at end of table

Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of single persons											
	Total itemized deductions			Standard deduction			Taxable income			Income tax after credits		
	Number of returns	Adjusted gross income less deficit	Exemption amount	Number of returns	Amount	Number of returns	Number of returns	Amount	Number of returns	Number of returns	Amount	Number of returns
	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)
All returns, total.....	59,347,974	1,748,417,727	169,069,088	13,966,458	239,688,127	44,350,782	213,901,552	44,005,276	1,202,075,752	41,900,154	208,799,712	41,900,155
No adjusted gross income	1,029,106	-23,712,197	2,471,267	--	--	--	--	--	--	1,463	21,951	1,463
\$1 under \$5,000	9,639,895	25,098,397	14,904,637	208,810	2,501,143	9,430,434	35,151,912	829,462	839,818	810,657	66,543	810,657
\$5,000 under \$10,000	8,567,162	63,161,700	20,812,984	392,159	5,126,576	8,175,004	41,310,538	4,252,373	7,454,334	3,658,652	665,846	3,658,652
\$10,000 under \$15,000	6,825,453	84,918,701	21,047,593	705,763	8,556,199	6,119,689	31,583,650	6,187,812	26,961,037	5,558,886	2,358,848	5,558,886
\$15,000 under \$20,000	5,752,111	100,151,176	18,954,093	777,095	9,965,147	4,975,017	25,614,082	5,535,990	47,686,571	5,057,205	4,648,048	5,057,205
\$20,000 under \$25,000	4,719,296	105,689,620	16,110,323	817,724	10,272,474	3,901,572	19,901,944	4,607,924	60,617,930	4,368,370	6,726,414	4,368,370
\$25,000 under \$30,000	4,131,973	113,559,451	13,811,945	948,589	12,007,624	3,183,384	16,206,051	4,059,655	72,472,319	3,984,125	8,842,684	3,984,125
\$30,000 under \$40,000	6,254,015	216,570,111	20,942,534	2,059,516	26,153,161	4,194,499	21,391,878	6,182,820	149,165,937	6,129,864	19,384,190	6,129,864
\$40,000 under \$50,000	4,178,964	186,301,648	13,894,129	2,021,896	26,796,895	2,156,071	11,103,328	4,135,388	135,090,217	4,121,100	19,913,192	4,121,100
\$50,000 under \$75,000	4,971,661	298,815,180	16,621,086	3,228,075	49,632,561	1,743,586	9,100,868	4,951,150	223,972,654	4,947,986	38,598,878	4,947,986
\$75,000 under \$100,000	1,606,826	137,233,938	5,406,512	1,303,903	24,637,002	302,923	1,614,041	1,597,873	105,797,308	1,597,867	20,466,205	1,597,867
\$100,000 under \$200,000	1,235,107	163,162,636	3,905,361	1,112,537	29,200,690	122,570	672,701	1,230,181	129,535,289	1,229,395	27,737,864	1,229,395
\$200,000 under \$500,000	331,609	95,017,485	186,585	297,658	13,820,874	33,950	185,719	330,270	80,976,549	330,237	19,811,147	330,237
\$500,000 under \$1,000,000	65,318	44,020,748	19	56,811	5,309,573	8,507	45,980	65,042	38,704,213	65,033	9,729,716	65,033
\$1,000,000 under \$1,500,000	17,552	21,056,491	8	15,944	2,496,928	1,606	8,447	17,500	18,563,084	17,478	4,905,151	17,478
\$1,500,000 under \$2,000,000	6,711	11,547,846	2	5,930	1,197,108	782	4,172	6,683	10,352,003	6,683	2,653,379	6,683
\$2,000,000 under \$5,000,000	10,567	31,559,165	10	9,632	3,411,835	934	4,991	10,530	28,154,253	10,527	7,176,912	10,527
\$5,000,000 under \$10,000,000	2,855	19,619,795	2	2,687	2,063,673	169	899	2,843	17,603,747	2,846	4,410,589	2,846
\$10,000,000 or more	1,794	54,545,836	--	1,729	6,538,666	65	351	1,782	48,128,488	1,782	10,682,170	1,782
Taxable returns, total.....	41,900,155	1,661,547,189	120,657,644	12,280,407	202,972,520	29,616,638	148,466,761	41,894,722	1,191,213,502	41,900,154	208,799,712	41,900,155
No adjusted gross income	1,463	-1,569,916	5,379	--	--	--	--	--	--	1,463	21,951	1,463
\$1 under \$5,000	810,657	2,079,868	95	8,738	15,337	801,268	1,235,396	810,626	830,640	810,657	66,543	810,657
\$5,000 under \$10,000	3,658,652	27,914,542	3,177,342	20,771	84,966	3,637,881	17,692,719	3,658,652	6,959,516	3,658,652	665,846	3,658,652
\$10,000 under \$15,000	5,558,886	69,202,163	15,113,481	260,656	1,958,408	5,298,230	27,419,367	5,558,883	24,711,242	5,558,886	2,358,848	5,558,886
\$15,000 under \$20,000	5,057,205	88,133,232	15,489,489	548,738	5,008,664	4,508,467	23,279,292	5,057,205	44,355,787	5,057,205	4,648,048	5,057,205
\$20,000 under \$25,000	4,368,370	97,950,792	14,003,439	674,222	6,739,716	3,694,148	18,864,794	4,368,370	58,342,844	4,368,370	6,726,414	4,368,370
\$25,000 under \$30,000	3,984,125	109,553,013	12,974,539	844,447	8,946,947	3,139,678	15,986,510	3,984,095	71,645,595	3,984,125	8,842,684	3,984,125
\$30,000 under \$40,000	6,129,864	212,329,731	20,266,829	1,958,266	22,321,861	4,171,598	21,277,371	6,129,864	148,463,670	6,129,864	19,384,190	6,129,864
\$40,000 under \$50,000	4,121,100	183,680,787	13,632,228	1,967,627	24,129,067	2,152,476	11,085,350	4,120,990	134,843,602	4,121,100	19,913,192	4,121,100
\$50,000 under \$75,000	4,947,986	297,394,594	16,546,781	3,205,757	47,916,606	1,742,228	9,092,878	4,947,031	223,846,680	4,947,986	38,598,878	4,947,986
\$75,000 under \$100,000	1,597,867	136,446,827	5,373,484	1,294,944	23,681,844	302,923	1,614,041	1,597,185	105,791,832	1,597,867	20,466,205	1,597,867
\$100,000 under \$200,000	1,229,395	162,353,517	3,888,689	1,107,366	28,513,383	122,028	669,985	1,227,857	129,321,338	1,229,395	27,737,864	1,229,395
\$200,000 under \$500,000	330,237	94,621,422	185,832	296,507	13,455,433	33,730	184,609	329,780	80,856,136	330,237	19,811,147	330,237
\$500,000 under \$1,000,000	65,034	43,831,621	17	56,586	5,170,223	8,448	45,693	64,913	38,630,612	65,033	9,729,716	65,033
\$1,000,000 or more	39,315	137,624,997	21	35,780	15,030,066	3,535	18,757	39,271	122,612,008	39,316	29,828,186	39,316
Non-taxable returns, total.....	17,447,819	86,870,538	48,411,445	1,686,051	36,715,608	14,734,124	65,434,790	2,110,555	10,862,250	--	--	--

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to prevent disclosure of taxpayer information.

NOTE: Detail may not add to totals because of rounding.

Table 1.3 -- All Returns: Sources of Income, Adjustments, Deductions, Credits, and Tax Items, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns		Joint returns of married persons		Separate returns of married persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income less deficit.....	134,372,678	7,422,495,663	52,505,729	4,948,002,076	2,462,804	134,515,546
Salaries and wages	114,070,880	5,155,407,373	44,852,685	3,315,897,279	2,063,233	82,262,823
Taxable interest	59,249,357	162,432,720	33,412,686	105,924,436	861,101	4,464,417
Tax-exempt interest	4,497,973	57,693,924	2,654,309	36,741,974	75,209	1,731,190
Ordinary dividends.....	31,175,376	166,482,004	18,192,894	108,780,268	417,761	4,503,967
Qualified dividends	25,853,686	118,980,474	15,174,338	79,133,422	325,743	3,266,491
State income tax refunds ..	22,110,769	22,204,760	13,912,129	15,880,618	469,202	408,711
Alimony received	457,488	7,979,270	19,968	209,841	8,331	122,745
Business or profession:						
Net income	15,748,896	314,717,429	9,044,654	223,352,182	267,811	6,117,655
Net loss	5,308,433	45,016,373	3,353,525	29,179,717	94,736	1,323,088
Sales of capital assets:						
Net gain in AGI.....	16,173,145	690,152,119	9,449,718	510,578,843	222,048	22,881,857
Net loss in AGI	10,022,532	22,136,901	5,869,296	13,283,082	136,325	173,801
Sales of property other than capital assets.....	1,777,203	3,662,932	1,292,706	3,214,401	26,031	89,392
Taxable IRA distributions.....	9,387,189	112,277,199	5,668,633	76,997,331	95,818	1,358,527
Taxable pensions and annuities.....	23,247,374	420,144,855	13,155,940	277,296,982	323,347	5,588,659
Rent and royalty:						
Net income	5,849,700	77,876,673	3,989,658	56,018,326	88,229	1,605,010
Net loss	5,275,197	52,674,061	3,486,565	35,569,125	59,486	814,529
Farm rental net income less loss.....	592,529	3,021,596	376,588	1,941,848	3,505	36,369
Partnership and S Corporation net income less loss	7,531,493	402,326,718	5,432,013	331,970,909	126,946	10,745,349
Estate and trust net income less loss	529,217	16,484,059	263,201	8,266,558	8,478	1,054,059
Farm net income less loss	1,981,249	-12,168,786	1,549,951	-9,720,897	18,579	-267,306
Unemployment compensation.....	7,887,700	27,857,367	3,664,922	13,991,213	113,543	460,439
Taxable social security benefits	12,660,754	124,829,069	8,182,355	91,274,502	191,985	1,897,748
Other income less loss.....	6,811,025	26,863,382	3,967,458	18,034,407	110,531	633,455
Total statutory adjustments	33,591,124	109,396,547	18,874,370	76,613,763	422,684	1,625,073
Educator expenses deduction.....	3,503,719	877,796	2,303,038	596,238	58,452	13,895
Certain business expenses of reservist, performing artists, etc.....	100,111	285,073	49,878	133,954	4,650	11,707
Health savings account deduction.....	215,781	510,690	156,144	429,606	1,744	4,267
Moving expenses adjustment.....	1,134,137	3,076,563	564,139	1,875,898	26,442	59,661
IRA payments.....	3,256,066	12,003,037	2,074,818	8,876,412	28,749	94,545
Student loan interest deduction.....	8,072,896	5,052,720	4,224,196	2,863,728	—	—
Tuition and fees deduction	4,696,013	10,846,990	2,661,306	6,279,958	—	—
Domestic production activities deduction	336,959	2,360,983	266,986	1,955,113	5,673	73,662
Payments to a Keogh plan.....	1,256,900	21,268,404	972,188	16,995,601	14,443	213,459
Deduction for self-employment tax	16,694,655	22,733,881	9,939,882	16,405,980	277,483	413,704
Self-employed health insurance deduction.....	3,901,082	19,645,889	2,599,308	15,501,352	54,976	244,063
Penalty on early withdrawal of savings	805,625	265,870	444,830	120,051	14,350	2,495
Alimony paid	588,463	8,954,038	225,445	3,538,934	28,912	447,504
Medical savings account deduction	18,808	41,341	14,701	36,234	—	—
Total itemized deductions	47,755,427	1,121,810,935	28,298,436	782,555,986	1,159,594	22,065,892
Medical and dental expenses deduction.....	9,917,189	67,353,932	5,340,388	35,128,767	195,277	905,778
Taxes paid deduction.....	47,353,480	400,390,045	28,216,489	295,630,627	1,139,452	7,750,425
Interest paid deduction	39,015,536	405,718,259	25,370,079	292,470,562	820,095	7,597,210
Contributions deduction	41,381,465	183,390,686	25,824,830	134,519,587	888,087	4,917,333
Casualty or theft loss deduction	813,976	14,984,169	494,666	9,797,939	15,045	206,782
Total miscellaneous deductions	13,506,352	95,297,457	7,036,094	52,629,383	310,279	2,021,891
Basic standard deduction	84,841,222	564,186,053	23,676,473	236,501,237	1,228,466	6,111,008
Additional standard deduction.....	10,996,440	16,561,658	5,775,358	9,953,879	84,934	85,035
Taxable income	104,330,653	5,137,165,874	44,958,044	3,549,102,642	2,108,481	102,778,324
Alternative minimum tax	4,004,756	17,421,071	3,082,794	13,702,893	165,945	556,776
Total tax credits	42,246,181	55,316,421	23,664,244	38,875,612	514,055	1,176,084
Child care credit	6,500,596	3,462,104	4,029,716	2,074,511	31,830	18,249
Credit for the elderly or disabled	101,627	14,127	23,063	2,271	1,005	185
Child tax credit	25,950,568	32,047,620	16,509,472	23,906,417	362,028	397,832
Education credit	7,057,251	6,119,631	3,697,529	3,674,953	—	—
Retirement savings contribution credit.....	5,293,605	944,531	2,531,177	547,129	71,104	7,450
Foreign tax credit	5,398,046	9,361,989	3,403,782	6,520,068	88,271	692,224
Earned income credit used to offset income tax before credits	2,896,347	745,322	265,486	66,126	—	—
Minimum tax credit	290,376	1,081,252	215,561	870,382	4,608	30,208
General business credit	251,386	877,850	179,616	699,057	1,405	21,401
Empowerment zone and renewal community employment credit	30,487	127,790	23,930	96,443	565	6,607
Nonconventional source fuel credit	*4,712	*35,610	*1,506	*18,319	*23	*417
Income tax after credits	90,593,079	934,835,345	40,081,458	671,177,225	2,004,781	20,344,814
Total income tax	90,593,081	934,835,769	40,081,459	671,177,610	2,004,781	20,344,814
Total tax liability	94,408,548	980,259,132	41,737,154	704,392,666	2,079,838	21,269,642
Total tax payments.....	122,684,049	1,083,700,046	49,239,738	751,740,983	2,164,726	21,880,354
Income tax withheld	118,161,380	782,659,594	47,231,405	521,965,794	2,064,271	12,187,220
Estimated tax payments	11,053,213	221,001,524	6,783,138	168,778,398	161,119	6,170,434
Overpayment refunded	101,870,385	232,975,616	36,897,404	117,032,623	1,436,836	2,547,835
Tax due at time of filing	25,659,937	118,232,296	12,729,282	84,169,608	856,495	3,325,678

Footnotes at end of table

Table 1.3 -- All Returns: Sources of Income, Adjustments, Deductions, Credits, and Tax Items, by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Item	Returns of heads of households		Returns of surviving spouses		Returns of single persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income less deficit	19,985,059	587,679,205	71,111	3,881,109	59,347,974	1,748,417,727
Salaries and wages	18,556,466	512,915,733	56,156	2,218,950	48,542,339	1,242,112,588
Taxable interest	3,521,584	3,775,447	42,984	112,209	21,411,001	48,156,212
Tax-exempt interest	102,953	940,442	4,895	109,274	1,660,608	18,171,045
Ordinary dividends	1,182,602	3,882,488	24,061	215,937	11,358,059	49,099,344
Qualified dividends	893,082	2,732,511	18,754	133,831	9,441,768	33,714,220
State income tax refunds	2,036,776	1,667,072	13,540	13,647	5,679,122	4,234,713
Alimony received	188,191	3,094,418	--	--	240,998	4,552,266
Business or profession:						
Net income	2,028,221	24,777,278	5,336	129,374	4,402,874	60,340,940
Net loss	448,581	3,621,402	1,147	8,067	1,410,445	10,884,100
Sales of capital assets						
Net gain in AGI	567,086	15,772,876	13,668	282,809	5,920,624	140,635,734
Net loss in AGI	402,410	825,058	8,643	15,641	3,605,857	7,839,319
Sales of property other than capital assets	64,256	65,632	1,303	-14,551	392,907	308,058
Taxable IRA distributions	360,107	3,520,760	6,879	36,101	3,255,752	30,364,480
Taxable pensions and annuities	1,383,339	15,107,637	18,987	369,604	8,365,761	121,781,974
Rent and royalty:						
Net income	219,904	1,966,878	2,535	52,117	1,549,374	18,234,342
Net loss	374,401	3,810,380	2,801	56,960	1,351,943	12,423,067
Farm rental net income less loss	10,777	36,125	--	--	201,658	1,007,254
Partnership and S Corporation net income less loss	268,252	9,941,041	2,461	433,470	1,701,821	49,235,949
Estate and trust net income less loss	14,266	524,363	995	86,416	242,277	6,552,662
Farm net income less loss	44,912	-224,011	1,387	-4,523	366,421	-1,952,049
Unemployment compensation	1,466,238	4,745,862	624	595	2,642,373	8,659,257
Taxable social security benefits	293,594	1,965,898	8,364	66,514	3,984,456	29,624,408
Other income less loss	589,866	895,571	4,474	75,182	2,138,696	7,224,767
Total statutory adjustments	3,873,760	7,315,765	14,475	35,696	10,405,834	23,806,249
Educator expenses deduction	**341,250	**90,359	**998	**246	810,678	189,215
Certain business expenses of reservist, performing artists, etc.	10,610	40,751	--	--	34,973	98,661
Health savings account deduction	--	--	--	--	47,194	64,661
Moving expenses adjustment	95,830	229,550	--	--	447,727	911,454
IRA payments	216,910	451,411	1,452	2,193	934,137	2,578,477
Student loan interest deduction	755,824	433,715	1,301	885	3,091,575	1,754,392
Tuition and fees deduction	726,300	1,639,927	7,192	10,648	1,301,215	2,916,455
Domestic production activities deduction	6,489	49,757	147	696	57,663	281,755
Payments to a Keogh plan	39,404	551,676	60	1,590	230,804	3,506,077
Deduction for self-employment tax	2,012,807	1,694,326	6,152	6,919	4,458,331	4,212,951
Self-employed health insurance deduction	202,059	755,277	1,477	6,986	1,043,261	3,138,210
Penalty on early withdrawal of savings	--	--	--	--	285,626	132,551
Alimony paid	**152,326	**1,261,567	**78	**5,532	242,521	3,711,273
Medical savings account deduction	*536	*905	--	--	*3,571	*4,202
Total itemized deductions	4,305,419	76,811,422	25,519	689,508	13,966,458	239,688,127
Medical and dental expenses deduction	857,392	3,145,937	6,925	49,897	3,517,207	28,123,553
Taxes paid deduction	4,249,932	21,206,872	25,518	229,195	13,722,090	75,572,926
Interest paid deduction	3,544,158	32,204,552	21,718	249,983	9,259,487	73,195,952
Contributions deduction	3,550,794	9,311,698	22,702	135,455	11,095,052	34,506,614
Casualty or theft loss deduction	100,430	1,535,325	*3	*970	203,831	3,443,152
Total miscellaneous deductions	1,701,151	10,309,455	5,089	54,167	4,453,740	30,282,560
Basic standard deduction	15,540,936	113,335,292	44,586	445,560	44,350,762	207,792,957
Additional standard deduction	321,814	408,194	5,955	5,955	4,808,379	6,108,595
Taxable income	13,213,465	280,605,827	45,387	2,603,329	44,005,276	1,202,075,752
Alternative minimum tax	287,867	749,840	1,026	6,253	467,124	2,405,308
Total tax credits	10,576,906	10,241,962	31,031	41,205	7,459,946	4,981,559
Child care credit	2,313,086	1,301,656	5,598	3,036	120,366	64,653
Credit for the elderly or disabled	*5,026	*521	--	--	*72,533	*11,150
Child tax credit	8,199,685	7,014,975	21,859	24,558	857,525	703,838
Education credit	813,104	688,927	4,246	4,350	2,542,372	1,751,401
Retirement savings contribution credit	1,457,101	217,536	998	66	1,233,225	172,350
Foreign tax credit	145,387	396,037	4,328	7,668	1,756,278	1,745,991
Earned income credit used to offset income						
tax before credits	1,468,702	533,759	3,652	656	1,158,508	144,781
Minimum tax credit	11,644	24,302	174	22	58,389	156,337
General business credit	5,414	14,096	*5	*76	64,945	143,221
Empowerment zone and renewal community employment credit	373	489	*8	*591	5,611	23,660
Nonconventional source fuel credit	*10	*6	--	--	*3,173	*16,868
Income tax after credits	6,572,893	34,023,646	33,793	489,948	41,900,154	208,799,712
Total income tax	6,572,893	34,023,652	33,793	489,948	41,900,155	208,799,745
Total tax liability	6,837,741	35,998,624	33,801	501,816	43,720,014	218,096,384
Total tax payments	18,088,544	63,237,763	58,321	573,616	53,132,720	246,267,329
Income tax withheld	17,909,419	56,476,115	57,595	355,072	50,898,690	191,675,393
Estimated tax payments	307,497	4,856,018	3,020	185,141	3,798,438	41,011,533
Overpayment refunded	18,764,814	61,670,000	55,209	188,956	44,716,123	51,536,202
Tax due at time of filing	998,289	3,695,752	8,043	102,423	11,067,829	26,938,835

* Estimate should be used with caution due to the small number of sample returns on which it is based

** Data combined to prevent disclosure of information for specific taxpayers

NOTE: Detail may not add to totals because of rounding

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest		Tax-exempt interest		Ordinary dividends		Qualified dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	134,372,678	7,422,495,663	114,070,880	5,155,407,373	59,249,357	162,432,720	4,497,973	57,693,924	31,175,376	166,482,004	25,853,666	118,960,474
No adjusted gross income	1,761,041	-85,463,023	673,530	15,647,933	836,983	5,022,922	72,427	1,276,524	615,681	2,421,990	525,124	1,449,350
\$1 under \$5,000	11,476,415	30,196,719	8,890,412	28,194,881	2,747,945	1,380,985	79,178	258,461	1,496,921	1,071,865	1,230,662	561,366
\$5,000 under \$10,000	12,114,236	90,568,218	9,566,556	69,551,085	2,768,190	2,703,104	115,724	374,280	1,294,936	1,672,773	1,039,044	812,292
\$10,000 under \$15,000	11,635,684	145,219,763	9,063,402	105,183,319	2,944,467	4,006,173	129,157	584,816	1,419,585	2,413,279	1,123,812	1,240,221
\$15,000 under \$20,000	11,126,599	194,302,121	9,142,320	151,122,895	3,060,297	4,453,444	133,612	883,006	1,414,038	2,692,282	1,124,653	1,483,963
\$20,000 under \$25,000	9,784,167	219,347,656	8,416,101	179,640,911	2,742,789	3,827,250	107,356	436,750	1,240,335	2,143,820	952,524	1,064,139
\$25,000 under \$30,000	8,738,107	239,954,732	7,622,202	197,862,474	2,710,789	3,728,049	129,240	794,053	1,152,429	2,464,550	923,523	1,400,281
\$30,000 under \$40,000	13,940,405	483,976,301	12,422,256	401,927,323	5,226,276	6,688,689	253,340	1,668,779	2,288,816	4,498,471	1,863,804	2,670,488
\$40,000 under \$50,000	10,618,506	475,518,617	9,502,570	390,238,701	5,050,162	6,637,420	258,676	1,715,100	2,251,291	4,821,807	1,818,052	2,917,004
\$50,000 under \$75,000	18,351,037	1,127,666,344	16,455,548	902,475,615	10,967,243	16,838,479	666,334	3,812,512	5,264,913	13,309,392	4,261,784	8,460,118
\$75,000 under \$100,000	10,449,989	900,479,216	9,500,111	717,139,080	7,674,040	12,301,309	539,259	4,080,148	4,077,359	11,493,902	3,345,164	7,516,184
\$100,000 under \$200,000	10,810,367	1,430,580,576	9,758,268	1,078,668,679	9,120,618	23,562,438	1,034,688	9,119,032	5,866,548	26,462,659	5,070,584	18,505,109
\$200,000 under \$500,000	2,737,802	788,882,363	2,359,167	473,174,178	2,584,762	18,059,543	601,863	9,525,169	2,060,530	24,410,634	1,884,857	18,418,857
\$500,000 under \$1,000,000	524,506	355,220,796	433,368	168,639,597	513,857	10,088,540	207,441	5,660,213	453,354	13,450,019	425,481	10,453,992
\$1,000,000 under \$1,500,000	127,925	154,799,533	102,343	59,394,929	126,296	5,170,614	61,966	2,947,895	115,057	6,761,311	108,846	5,206,856
\$1,500,000 under \$2,000,000	56,615	97,512,430	45,841	34,690,675	56,026	3,321,849	30,632	1,760,464	51,706	4,432,412	49,031	3,487,827
\$2,000,000 under \$5,000,000	84,070	250,611,839	67,929	76,935,056	83,565	9,646,791	51,104	4,714,703	78,147	12,205,275	74,468	9,607,933
\$5,000,000 under \$10,000,000	21,431	146,846,621	17,580	39,015,819	21,337	5,885,389	14,999	2,863,637	20,386	7,436,785	19,454	5,865,923
\$10,000,000 or more	13,776	376,274,843	11,375	65,904,223	13,736	19,129,732	10,954	5,218,381	13,345	22,318,777	12,819	17,858,552
Taxable returns, total	90,593,081	6,856,723,096	78,838,655	4,602,143,683	48,423,537	146,823,896	4,033,538	52,873,239	26,287,466	156,018,216	21,969,024	113,002,208
No adjusted gross income	4,882	-6,680,199	3,280	421,983	4,093	1,175,208	1,069	134,966	3,498	368,335	3,297	200,740
\$1 under \$5,000	813,194	2,089,537	394,445	825,136	497,908	290,957	17,082	20,090	530,764	402,240	479,320	236,296
\$5,000 under \$10,000	3,710,338	28,358,319	3,405,819	24,876,328	864,216	525,375	37,919	76,793	473,248	490,699	393,552	269,979
\$10,000 under \$15,000	5,752,740	71,728,137	4,558,631	53,475,347	1,563,855	2,148,320	70,366	180,294	742,030	1,203,965	595,394	609,703
\$15,000 under \$20,000	5,988,457	105,047,337	4,833,588	79,227,223	1,837,216	2,763,080	82,737	380,127	866,932	1,630,237	688,018	936,374
\$20,000 under \$25,000	5,886,278	132,098,628	4,819,647	101,305,646	2,027,096	3,093,372	84,150	281,694	963,870	1,676,419	747,086	848,800
\$25,000 under \$30,000	5,858,233	161,375,547	4,938,226	127,170,732	2,110,256	3,175,598	108,508	625,610	937,198	2,004,976	744,475	1,141,595
\$30,000 under \$40,000	11,106,472	386,912,319	9,776,897	315,571,343	4,409,646	5,939,540	211,478	1,327,642	1,972,782	3,781,216	1,611,757	2,231,707
\$40,000 under \$50,000	9,325,210	418,057,612	8,287,137	338,490,253	4,539,120	6,011,144	242,744	1,493,094	2,062,956	4,384,328	1,668,233	2,633,808
\$50,000 under \$75,000	17,591,819	1,077,176,944	15,661,895	859,589,579	10,514,885	16,132,856	644,321	3,518,239	5,063,625	12,531,904	4,105,729	8,007,377
\$75,000 under \$100,000	10,329,339	890,290,583	9,394,607	709,059,458	7,578,766	12,022,271	529,578	3,803,020	4,043,689	11,221,628	3,314,692	7,341,924
\$100,000 under \$200,000	10,767,383	1,425,107,929	9,731,474	1,075,827,251	9,083,407	23,227,366	1,026,753	8,797,824	5,839,748	26,073,661	5,047,214	18,233,763
\$200,000 under \$500,000	2,732,229	787,268,561	2,355,688	472,382,934	2,579,930	17,878,991	600,369	9,615,427	2,056,575	24,215,413	1,881,414	18,263,649
\$500,000 under \$1,000,000	523,401	354,470,899	432,700	168,367,326	512,853	9,992,046	207,101	5,615,430	452,509	13,349,066	424,756	10,385,694
\$1,000,000 or more	303,106	1,023,420,942	244,622	275,553,143	300,292	42,447,771	169,362	17,202,989	278,043	52,684,127	264,087	41,640,780
Nontaxable returns, total	43,779,597	565,772,568	35,232,225	553,263,689	10,825,820	15,608,824	464,435	4,820,686	4,887,911	10,463,787	3,884,662	5,978,267

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	State income tax refunds			Alimony received		Business or profession			Capital gain distributions		Sales of capital assets	
	Number of returns	Amount	(13)	Number of returns	Amount	Net income		Net loss	Number of returns	Amount	Number of returns	Amount
						Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Amount
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
All returns, total.....	22,110,769	22,204,760	457,488	7,979,270	15,748,886	314,717,429	45,016,373	4,155,219	4,958,078	12,017,926	665,194,041	
No adjusted gross income	81,436	235,464	5,358	55,884	199,797	2,453,589	9,724,442	25,540	20,976	142,269	10,088,676	
\$1 under \$5,000	100,590	52,836	6,559	17,427	1,289,432	3,474,505	883,180	332,004	226,617	432,443	798,258	
\$5,000 under \$10,000	147,222	70,100	24,869	143,138	1,768,776	11,602,668	1,505,044	204,827	215,810	440,533	1,253,320	
\$10,000 under \$15,000	246,868	112,690	47,442	371,324	1,573,725	14,889,850	1,659,992	205,851	247,384	439,669	1,704,552	
\$15,000 under \$20,000	372,145	185,014	44,477	381,056	1,088,195	12,415,908	2,311,997	172,555	202,302	461,284	1,709,086	
\$20,000 under \$25,000	490,938	254,830	34,251	277,733	859,409	11,003,943	1,934,404	183,320	150,961	404,882	1,671,994	
\$25,000 under \$30,000	655,449	309,436	39,813	312,007	767,941	9,985,330	1,564,670	161,535	160,983	399,268	2,003,332	
\$30,000 under \$40,000	1,767,957	918,183	77,990	902,688	1,259,909	17,584,745	2,808,765	333,151	325,924	769,415	4,297,955	
\$40,000 under \$50,000	2,150,307	1,252,132	52,714	742,666	1,073,702	15,450,791	2,846,958	339,837	358,601	815,450	5,662,903	
\$50,000 under \$75,000	5,559,983	3,830,653	70,245	1,540,197	2,090,514	35,444,595	5,685,166	774,618	816,048	1,893,941	15,829,544	
\$75,000 under \$100,000	4,300,639	3,443,629	23,532	595,796	1,360,988	30,374,200	3,416,310	551,104	572,088	1,549,562	19,068,525	
\$100,000 under \$200,000	4,991,006	5,338,048	23,060	1,384,900	1,704,752	65,861,008	4,660,928	710,092	1,257,775	2,594,991	63,676,570	
\$200,000 under \$500,000	928,875	1,941,946	** 6,682	** 1,124,986	552,697	49,318,424	2,381,778	140,878	286,665	1,160,062	96,844,776	
\$500,000 under \$1,000,000	183,711	930,606	**	**	103,916	16,369,711	924,558	15,565	69,625	302,249	69,210,282	
\$1,000,000 under \$1,500,000	52,372	569,876	217	21,101	23,962	5,296,927	428,155	2,782	11,234	82,643	36,288,041	
\$1,500,000 under \$2,000,000	24,625	304,734	101	6,753	10,055	2,563,064	722,067	753	11,695	38,930	26,709,280	
\$2,000,000 under \$5,000,000	38,419	862,917	132	52,551	15,071	5,292,632	275,209	700	18,912	61,290	79,858,932	
\$5,000,000 under \$10,000,000	10,778	501,418	32	12,231	3,737	2,103,756	388,965	84	912	17,167	57,228,798	
\$10,000,000 or more	7,449	1,090,247	14	36,832	2,318	3,231,782	793,783	22	3,566	11,877	191,289,216	
Taxable returns, total.....	19,943,489	20,367,149	331,122	6,953,999	9,193,089	252,656,819	26,167,212	3,601,101	4,576,317	10,501,138	667,794,149	
No adjusted gross income	929	10,669	--	--	1,516	153,636	285,683	* 4	* 18	2,254	3,040,262	
\$1 under \$5,000	* 5,208	* 3,878	--	--	14,633	21,482	* 3,808	198,479	179,575	207,035	293,565	
\$5,000 under \$10,000	15,681	3,142	* 3,253	* 27,889	160,655	810,482	30,299	109,643	141,410	186,077	536,059	
\$10,000 under \$15,000	72,784	23,720	23,096	188,551	378,004	3,067,789	444,081	122,842	176,129	230,551	807,702	
\$15,000 under \$20,000	189,384	65,026	24,130	228,296	437,099	4,475,902	611,389	109,590	132,486	280,124	919,996	
\$20,000 under \$25,000	296,292	110,571	17,694	131,972	430,334	5,113,835	890,735	144,325	131,418	309,944	1,249,014	
\$25,000 under \$30,000	438,607	178,924	25,016	216,577	402,776	4,675,451	871,532	137,932	141,835	321,857	1,536,675	
\$30,000 under \$40,000	1,398,093	671,991	64,174	724,423	845,491	11,364,394	1,850,700	291,760	302,639	651,128	3,218,254	
\$40,000 under \$50,000	1,855,713	994,984	50,438	695,037	851,089	11,872,484	2,254,761	316,143	342,181	732,147	4,793,630	
\$50,000 under \$75,000	5,212,319	3,475,189	70,238	1,539,679	1,925,017	31,890,701	5,155,251	753,944	800,359	1,797,680	14,184,985	
\$75,000 under \$100,000	4,236,228	3,341,495	22,856	563,293	1,338,995	29,754,472	3,256,597	547,335	570,190	1,527,419	18,421,693	
\$100,000 under \$200,000	4,977,470	5,310,984	23,057	1,384,499	1,696,908	65,424,911	4,571,161	708,471	1,256,322	2,583,744	62,989,859	
\$200,000 under \$500,000	927,829	1,932,284	** 6,674	** 1,124,318	551,809	49,231,518	2,351,551	140,743	285,956	1,157,913	96,488,445	
\$500,000 under \$1,000,000	183,480	925,716	**	**	103,728	16,340,740	913,280	15,554	69,588	301,776	69,044,650	
\$1,000,000 or more	133,473	3,318,574	496	129,468	55,036	18,459,022	2,559,299	4,333	46,211	211,491	390,259,359	
Nontaxable returns, total.....	2,167,280	1,837,612	126,366	1,025,271	6,555,807	62,060,610	18,849,162	554,118	381,760	1,516,787	17,399,893	

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income		Sales of capital assets reported on Form 1040, Schedule D											
		Taxable net loss		Short-term capital gain		Short-term capital loss		Short-term loss carryover		Net short-term gain from sales of capital assets		Net short-term loss from sales of capital assets	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
		(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total		10,022,532	22,136,901	4,559,258	47,218,259	5,377,233	137,525,525	2,265,261	117,469,604	4,619,690	32,147,283	3,557,206	24,158,554
No adjusted gross income		625,455	1,550,394	85,772	1,142,778	308,276	14,473,097	231,673	13,165,317	112,200	1,074,740	117,267	1,510,940
\$1 under \$5,000		499,097	991,986	150,485	148,769	223,668	2,789,753	121,301	2,438,658	163,380	178,475	119,390	398,873
\$5,000 under \$10,000		443,723	957,741	147,627	226,189	181,640	2,939,398	94,220	2,684,204	149,500	305,975	107,203	356,596
\$10,000 under \$15,000		425,536	904,944	139,685	285,833	174,810	2,764,283	75,524	2,347,649	145,407	297,238	114,995	405,727
\$15,000 under \$20,000		416,399	893,807	145,170	230,603	180,398	2,820,415	71,987	2,342,160	142,470	211,341	119,467	506,561
\$20,000 under \$25,000		344,118	723,529	140,957	302,331	157,306	2,850,558	55,933	2,338,047	144,145	362,704	110,210	581,514
\$25,000 under \$30,000		338,865	723,124	134,773	385,388	146,735	2,327,458	50,322	1,976,367	132,810	424,996	103,763	395,862
\$30,000 under \$40,000		708,543	1,499,003	261,206	629,310	322,803	4,836,003	126,070	3,889,584	254,442	640,347	213,016	964,388
\$40,000 under \$50,000		642,632	1,354,172	300,263	893,973	297,215	4,649,056	120,888	4,153,722	304,059	970,952	200,557	671,663
\$50,000 under \$75,000		1,545,356	3,264,301	675,348	2,148,032	758,121	12,185,411	266,293	10,378,963	683,725	2,301,149	527,090	2,180,044
\$75,000 under \$100,000		1,202,729	2,647,051	586,222	2,342,794	633,632	10,866,948	237,913	9,361,667	594,039	2,408,590	441,802	1,697,260
\$100,000 under \$200,000		1,867,207	4,165,617	1,028,173	5,962,097	1,119,902	26,355,925	433,582	22,833,736	1,034,485	6,143,646	776,387	4,383,069
\$200,000 under \$500,000		746,350	1,872,557	515,871	6,651,883	593,885	21,473,499	251,950	19,487,230	522,426	6,308,376	409,376	3,283,899
\$500,000 under \$1,000,000		146,174	392,425	138,379	3,891,073	166,675	9,834,633	74,632	7,948,426	138,181	2,746,787	113,503	2,082,728
\$1,000,000 under \$1,500,000		33,138	91,807	40,601	2,137,218	45,404	3,987,856	21,812	3,401,817	38,469	1,453,140	31,693	794,256
\$1,500,000 under \$2,000,000		13,548	37,699	19,721	1,518,855	21,095	2,000,086	9,737	1,607,499	18,433	836,288	15,281	437,509
\$2,000,000 under \$5,000,000		18,423	51,767	32,490	4,619,307	32,146	4,762,166	15,403	3,653,697	28,386	2,136,225	24,431	1,243,082
\$5,000,000 under \$10,000,000		3,589	10,287	9,432	3,238,119	8,350	1,880,573	3,811	1,348,537	7,751	1,090,961	6,943	556,600
\$10,000,000 or more		1,651	4,690	7,101	10,463,708	5,173	3,728,406	2,209	2,112,327	5,383	2,255,353	4,833	1,707,963
Taxable returns, total		7,655,387	16,701,471	3,970,008	44,374,553	4,269,766	104,283,276	1,633,994	88,291,218	3,977,450	29,202,816	2,967,175	19,532,093
No adjusted gross income		1,705	4,228	692	153,070	1,857	490,077	1,123	443,576	913	88,542	1,114	41,585
\$1 under \$5,000		45,113	60,415	65,920	32,572	33,096	82,858	11,350	57,479	65,170	34,349	24,335	27,990
\$5,000 under \$10,000		99,116	156,462	83,274	51,193	40,454	162,695	14,073	111,907	60,248	55,219	25,348	59,070
\$10,000 under \$15,000		184,477	365,138	66,322	106,362	79,212	860,981	26,630	718,424	67,157	114,985	58,970	127,937
\$15,000 under \$20,000		231,604	468,422	85,609	124,657	97,084	1,195,143	36,254	1,025,922	82,639	90,373	62,398	177,894
\$20,000 under \$25,000		237,409	508,555	101,974	196,011	100,952	1,285,890	30,575	1,140,840	102,575	223,614	74,460	185,271
\$25,000 under \$30,000		254,435	521,016	104,288	285,354	102,863	1,191,161	32,974	1,056,737	101,043	303,625	75,055	160,126
\$30,000 under \$40,000		576,727	1,191,574	215,551	440,299	247,794	3,151,081	93,815	2,535,869	210,462	445,978	165,124	638,917
\$40,000 under \$50,000		580,530	1,213,538	273,719	758,552	260,197	3,894,821	104,894	3,248,877	278,980	847,848	178,334	585,291
\$50,000 under \$75,000		1,450,586	3,040,926	636,008	1,905,684	702,592	10,119,080	243,463	8,561,835	643,147	2,082,666	490,818	1,862,731
\$75,000 under \$100,000		1,179,183	2,587,010	572,510	2,164,328	623,295	10,021,196	231,955	8,597,830	579,308	2,217,204	436,714	1,583,830
\$100,000 under \$200,000		1,853,953	4,129,322	1,022,086	5,831,930	1,109,814	25,404,102	428,662	22,034,937	1,028,406	6,004,405	769,727	4,209,908
\$200,000 under \$500,000		744,611	1,867,813	514,817	6,607,440	592,340	20,988,220	250,994	19,051,179	521,298	6,262,641	408,466	3,226,235
\$500,000 under \$1,000,000		145,792	391,373	138,122	3,871,251	166,314	9,622,848	74,402	7,844,397	137,907	2,728,720	113,297	2,012,455
\$1,000,000 or more		70,144	195,680	109,117	21,845,851	111,902	16,013,123	52,832	11,861,408	98,199	7,702,649	83,015	4,632,854
Nontaxable returns, total		2,367,145	5,435,430	589,249	2,843,706	1,107,468	33,242,249	631,267	29,178,366	642,241	2,944,467	590,031	4,626,461

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Sales of capital assets reported on Form 1040, Schedule D--continued												
Size of adjusted gross income	Short-term gain from other forms (2119, 4797, etc.)		Short-term loss from other forms (4684, 6781, and 8624)		Net short-term partnership/ S-corporation gain		Net short-term partnership/ S-corporation loss		Long-term capital gain		Long-term capital loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total.....	132,612	4,054,320	150,677	1,166,420	673,023	19,523,692	365,289	3,287,590	11,365,128	663,943,989	8,645,215	232,584,907
No adjusted gross income	2,150	55,870	5,388	106,556	13,155	588,948	10,514	267,986	157,433	10,822,322	546,499	23,748,045
\$1 under \$5,000.....	* 902	* 218	2,487	18,866	9,281	44,253	9,240	7,534	422,746	816,446	444,619	6,280,370
\$5,000 under \$10,000.....	* 1,635	* 2,680	1,003	1,695	14,062	28,590	7,976	7,973	415,372	1,264,628	398,712	8,207,620
\$10,000 under \$15,000.....	2,286	10,113	2,278	14,308	8,408	26,855	6,972	44,972	419,769	1,618,832	360,791	6,197,206
\$15,000 under \$20,000.....	4,087	3,184	3,235	4,322	11,999	61,790	8,362	13,085	427,732	1,740,335	364,216	6,425,487
\$20,000 under \$25,000.....	* 2,516	* 5,111	3,237	11,682	8,622	25,198	6,468	9,997	366,070	1,593,509	300,670	5,835,141
\$25,000 under \$30,000.....	* 2,466	* 1,962	2,117	9,765	11,558	31,445	9,592	18,459	366,237	1,987,365	285,346	5,183,265
\$30,000 under \$40,000.....	9,371	20,210	4,271	6,637	30,305	65,819	22,569	72,530	714,377	4,130,590	599,340	10,761,503
\$40,000 under \$50,000.....	3,548	12,338	6,228	17,677	26,421	128,624	14,354	23,939	748,226	5,291,170	544,521	11,027,032
\$50,000 under \$75,000.....	11,631	21,683	11,508	29,263	61,968	255,811	34,969	28,442	1,751,191	15,002,819	1,324,220	25,118,636
\$75,000 under \$100,000.....	11,949	83,269	13,703	31,584	64,173	174,406	32,403	102,942	1,436,362	18,123,045	1,026,179	21,317,279
\$100,000 under \$200,000.....	27,704	150,759	29,943	80,738	153,897	805,919	79,654	210,277	2,459,300	61,575,997	1,616,552	42,186,053
\$200,000 under \$500,000.....	21,014	326,870	27,818	162,397	128,615	1,762,401	64,264	285,738	1,157,624	94,807,515	645,930	31,190,233
\$500,000 under \$1,000,000.....	11,492	299,452	14,178	104,624	55,916	1,598,311	28,482	460,827	307,249	68,176,091	126,770	13,243,739
\$1,000,000 under \$1,500,000.....	5,257	200,643	5,652	50,067	23,217	972,999	9,715	231,280	83,723	35,584,645	28,850	4,715,131
\$1,500,000 under \$2,000,000.....	3,115	156,332	3,778	39,332	12,563	777,702	5,194	167,495	39,609	26,027,400	11,871	2,442,102
\$2,000,000 under \$5,000,000.....	6,490	538,872	7,991	124,504	23,958	2,614,071	9,488	411,793	62,556	77,451,004	15,702	4,798,441
\$5,000,000 under \$10,000,000.....	2,553	371,407	2,937	70,880	8,051	2,126,385	2,925	260,178	17,445	55,007,368	3,093	1,977,666
\$10,000,000 or more.....	2,446	1,793,347	2,925	281,524	6,863	7,434,165	2,128	662,143	12,107	182,922,908	1,333	1,929,759
Taxable returns, total.....	121,634	3,975,093	130,549	963,566	607,758	18,486,277	319,143	2,834,626	9,928,737	645,760,641	6,592,084	171,343,181
No adjusted gross income	174	6,034	118	4,069	421	72,537	291	14,890	2,815	3,094,996	864	1,631,542
\$1 under \$5,000.....	--	--	** 1,178	** 1,623	* 3,607	* 3,238	* 1,820	* 782	192,597	282,581	44,861	165,074
\$5,000 under \$10,000.....	* 12	* 74	**	--	5,916	4,819	* 4,317	* 650	175,819	515,168	88,496	659,734
\$10,000 under \$15,000.....	* 680	* 334	--	--	* 4,201	* 10,061	* 2,310	* 33,637	219,960	787,677	152,536	1,831,753
\$15,000 under \$20,000.....	* 2,055	* 1,851	* 2,987	* 3,578	9,052	45,311	6,585	626	260,391	909,641	202,307	2,888,165
\$20,000 under \$25,000.....	* 1,344	* 954	* 1,517	* 1,407	6,165	21,352	* 4,133	* 8,282	285,093	1,132,686	214,553	3,696,031
\$25,000 under \$30,000.....	* 2,442	* 1,778	* 758	* 3,132	9,527	19,852	* 4,319	* 11,067	296,927	1,489,345	218,122	3,377,777
\$30,000 under \$40,000.....	9,207	20,150	* 2,907	* 2,475	20,822	32,614	18,062	32,332	606,554	3,077,752	492,422	7,183,888
\$40,000 under \$50,000.....	* 3,310	* 11,046	5,233	9,115	21,245	66,472	12,040	18,355	672,027	4,396,175	492,325	8,965,806
\$50,000 under \$75,000.....	10,808	19,705	8,783	24,440	55,633	158,648	32,847	26,007	1,670,733	13,441,987	1,246,792	22,181,580
\$75,000 under \$100,000.....	11,820	82,946	13,245	30,104	61,617	153,360	32,108	101,548	1,420,010	17,560,757	1,002,837	20,148,128
\$100,000 under \$200,000.....	27,622	150,273	28,833	76,101	151,278	763,693	78,507	183,252	2,448,631	60,842,583	1,604,377	40,326,464
\$200,000 under \$500,000.....	20,895	324,634	27,648	147,342	128,071	1,734,814	64,024	278,113	1,155,423	94,402,732	644,454	30,660,843
\$500,000 under \$1,000,000.....	11,446	297,770	14,129	98,305	55,746	1,583,067	28,413	414,492	306,743	67,967,439	126,456	12,585,373
\$1,000,000 or more.....	19,820	3,057,546	23,213	561,875	74,457	13,816,449	29,368	1,710,493	215,013	375,869,123	60,681	15,042,024
Non-taxable returns, total.....	10,978	79,227	20,128	202,854	65,265	1,037,415	46,146	452,964	1,436,391	18,183,348	2,053,131	61,241,726

Footnotes at end of table

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--continued											
	Net long-term gain from sales of capital assets		Net long-term loss from sales of capital assets		Long-term loss carryover		Long-term gain from other forms (2119, 4797, etc.)		Long-term loss from other forms (4684, 6781, and 8824)		Net long-term partnership/S-corporation gain	
	Number of returns (49)	Amount (50)	Number of returns (51)	Amount (52)	Number of returns (53)	Amount (54)	Number of returns (55)	Amount (56)	Number of returns (57)	Amount (58)	Number of returns (59)	Amount (60)
All returns, total	8,448,441	302,014,090	5,496,067	56,386,841	6,291,055	223,019,974	2,529,113	232,595,978	124,576	1,369,866	1,440,718	151,413,205
No adjusted gross income	177,913	4,410,364	227,644	4,668,461	420,977	21,897,301	69,725	6,716,431	4,668	125,449	28,720	2,954,550
\$1 under \$5,000	341,059	786,590	246,741	1,149,756	324,508	5,681,145	36,191	293,179	2,486	28,023	17,016	68,502
\$5,000 under \$10,000	310,205	949,576	213,256	1,585,315	294,496	7,169,713	65,332	356,624	995	2,288	35,733	128,152
\$10,000 under \$15,000	317,863	1,180,120	212,928	1,357,705	246,996	5,489,635	74,493	452,220	* 1,625	* 17,354	23,359	176,874
\$15,000 under \$20,000	309,635	1,271,054	210,263	1,051,195	242,527	5,978,195	68,469	444,528	3,197	13,075	28,065	159,707
\$20,000 under \$25,000	266,253	1,093,913	188,176	1,534,147	207,515	4,971,537	75,406	561,054	3,099	16,542	31,483	122,162
\$25,000 under \$30,000	254,528	1,300,656	183,981	1,180,963	195,758	4,669,825	77,646	610,149	2,105	14,586	31,168	264,186
\$30,000 under \$40,000	508,985	2,657,686	388,624	2,330,523	360,599	9,529,711	137,725	1,208,215	4,928	10,021	65,981	459,178
\$40,000 under \$50,000	529,954	3,191,458	387,206	2,982,225	350,336	9,083,609	143,622	1,953,708	6,085	24,029	62,667	322,955
\$50,000 under \$75,000	1,275,394	9,499,999	904,459	6,289,541	860,430	22,286,728	316,913	4,883,876	10,794	45,415	164,228	1,176,639
\$75,000 under \$100,000	1,065,620	10,637,073	675,560	4,850,746	725,636	19,960,711	309,889	6,935,662	12,022	35,775	140,641	1,385,320
\$100,000 under \$200,000	1,818,243	35,216,995	1,100,693	9,900,610	1,224,007	40,546,351	546,779	22,969,033	25,779	73,670	328,960	5,511,609
\$200,000 under \$500,000	873,683	46,985,013	429,064	7,635,220	613,832	31,991,834	371,939	40,699,544	22,184	212,848	255,662	11,037,027
\$500,000 under \$1,000,000	234,771	31,717,934	93,087	3,643,284	141,821	14,008,431	124,738	27,907,418	10,819	145,013	107,040	10,893,135
\$1,000,000 under \$1,500,000	63,350	15,890,967	23,200	1,279,944	35,900	5,398,233	38,999	13,500,418	4,026	60,331	39,874	7,495,355
\$1,500,000 under \$2,000,000	31,045	11,778,996	9,799	764,682	15,908	2,874,569	19,377	9,266,931	2,325	43,566	20,509	5,770,151
\$2,000,000 under \$5,000,000	47,203	30,976,754	15,265	1,724,636	22,236	6,009,043	33,802	27,198,618	4,578	127,898	37,942	21,534,902
\$5,000,000 under \$10,000,000	13,185	20,368,013	3,830	1,050,969	4,973	2,717,753	10,391	18,806,014	1,468	73,990	12,096	17,306,134
\$10,000,000 or more	9,349	72,100,928	2,282	1,406,901	2,599	2,755,649	7,677	47,832,356	1,393	299,992	9,575	64,666,667
Taxable returns, total	7,296,745	291,854,888	4,467,596	44,454,643	4,778,336	167,397,959	2,165,689	223,080,582	106,951	1,111,838	1,301,090	147,489,697
No adjusted gross income	2,048	792,880	419	159,918	1,506	1,870,884	1,655	1,803,387	72	3,624	982	940,241
\$1 under \$5,000	138,150	200,964	49,119	44,633	33,522	190,537	7,180	39,600	** 1,178	** 2,434	* 5,579	* 6,112
\$5,000 under \$10,000	134,035	378,528	65,528	231,213	54,604	540,952	3,928	29,118	**	**	17,823	69,477
\$10,000 under \$15,000	164,168	573,275	98,369	413,767	87,419	1,586,155	26,655	118,234	--	--	11,882	51,005
\$15,000 under \$20,000	187,830	695,063	123,382	443,121	128,300	2,741,881	29,431	146,411	* 2,978	* 12,142	18,423	96,672
\$20,000 under \$25,000	204,058	734,211	135,919	1,072,227	152,804	3,096,967	58,056	407,999	* 1,517	* 2,065	22,185	64,508
\$25,000 under \$30,000	209,630	1,018,661	145,575	816,577	148,307	2,967,839	57,595	367,692	* 758	* 4,699	21,022	101,757
\$30,000 under \$40,000	430,992	2,087,328	329,271	1,674,009	286,681	6,373,607	112,224	798,304	3,565	3,779	50,252	289,018
\$40,000 under \$50,000	477,679	2,715,675	329,117	2,651,810	313,586	7,115,185	124,609	1,390,530	5,727	11,698	55,829	270,924
\$50,000 under \$75,000	1,217,678	8,704,488	858,877	5,713,117	811,768	19,419,325	289,009	3,984,396	8,081	38,593	154,052	919,104
\$75,000 under \$100,000	1,050,730	10,366,092	685,766	4,660,827	709,002	18,811,930	305,286	6,612,183	11,761	33,657	137,414	1,268,581
\$100,000 under \$200,000	1,809,631	34,781,928	1,090,876	7,940,468	1,215,539	38,581,420	544,396	22,631,403	24,710	68,120	324,407	5,326,824
\$200,000 under \$500,000	872,000	46,726,122	428,215	7,541,438	612,357	31,464,774	371,100	40,560,259	22,071	194,770	254,732	10,920,123
\$500,000 under \$1,000,000	234,329	31,587,880	92,895	3,126,825	141,495	13,825,068	124,520	27,845,433	10,787	135,839	106,780	10,813,518
\$1,000,000 or more	163,786	150,491,793	54,268	6,164,693	81,424	18,811,234	110,044	116,345,634	13,745	600,418	119,728	116,351,835
Nontaxable returns, total	1,151,695	10,159,202	1,028,471	11,932,198	1,512,719	55,622,014	363,424	9,515,396	17,625	258,028	139,628	3,923,507

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Sales of capital assets reported on Form 1040, Schedule D—cont.					Sale of property other than capital assets				Total taxable IRA distributions	
Size of adjusted gross income	Net long-term partnership/ S-corporation loss		Schedule D capital gain distributions		Net gain		Net loss		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
All returns, total.....	474,669	4,660,832	9,238,023	30,623,029	900,568	12,843,235	876,635	9,180,303	9,387,189	112,277,199
No adjusted gross income.	19,691	745,967	242,254	430,110	42,730	943,413	65,167	3,387,341	80,955	928,684
\$1 under \$5,000.	14,012	55,057	380,000	301,786	21,541	97,845	18,517	185,178	191,017	437,282
\$5,000 under \$10,000	10,438	26,302	351,926	406,075	27,220	109,355	26,164	112,025	476,454	1,736,117
\$10,000 under \$15,000	8,674	27,599	344,174	474,216	20,742	83,398	22,329	172,671	704,233	3,120,076
\$15,000 under \$20,000.	18,474	57,698	346,721	539,721	31,047	159,470	21,709	91,103	738,285	4,134,604
\$20,000 under \$25,000	9,106	37,160	277,101	540,625	26,800	164,066	32,106	122,840	575,745	3,538,079
\$25,000 under \$30,000	9,728	9,609	282,765	504,112	33,854	161,670	29,202	83,067	556,299	3,811,555
\$30,000 under \$40,000	23,634	106,873	575,163	1,020,336	60,149	372,355	50,367	217,146	920,728	6,732,217
\$40,000 under \$50,000...	27,202	180,998	558,999	1,066,879	52,477	403,398	41,364	128,745	814,368	7,076,456
\$50,000 under \$75,000	62,411	208,197	1,361,755	3,152,970	141,012	1,265,640	99,914	458,139	1,668,593	19,807,402
\$75,000 under \$100,000.	54,256	230,441	1,118,803	2,945,381	93,726	796,791	87,788	462,968	1,093,918	17,157,983
\$100,000 under \$200,000	106,472	555,167	2,003,473	6,768,103	154,944	2,032,484	170,546	944,726	1,185,098	27,102,530
\$200,000 under \$500,000	64,577	701,107	967,433	5,435,598	111,333	1,975,877	120,399	828,790	299,328	11,399,742
\$500,000 under \$1,000,000	26,342	372,246	257,639	2,509,599	41,259	936,574	50,228	535,956	53,243	2,788,744
\$1,000,000 under \$1,500,000	8,055	198,269	67,677	919,136	14,174	510,695	15,494	219,835	12,268	840,872
\$1,500,000 under \$2,000,000.	3,749	142,539	31,845	591,964	7,152	261,685	7,566	174,570	5,615	387,143
\$2,000,000 under \$5,000,000.	5,453	413,137	48,659	1,206,344	12,693	764,346	11,954	406,563	7,988	732,700
\$5,000,000 under \$10,000,000.	1,491	195,863	12,957	583,063	4,308	518,269	3,303	288,815	1,829	224,113
\$10,000,000 or more.	904	396,602	8,678	1,227,011	3,407	1,285,906	2,520	359,828	1,225	320,899
Taxable returns, total.....	407,194	3,651,546	7,915,986	28,489,576	712,889	11,102,175	683,495	4,947,886	7,708,455	103,060,503
No adjusted gross income	195	61,520	1,836	22,893	866	175,195	292	86,139	246	22,115
\$1 under \$5,000.	* 4,586	* 1,645	140,383	110,076	* 652	* 45	* 1,288	* 2	* 7,274	* 9,422
\$5,000 under \$10,000	* 4,616	* 7,969	130,452	158,448	* 2,606	* 15,994	4,928	5,306	43,555	203,185
\$10,000 under \$15,000.	* 4,022	* 3,437	164,115	216,769	8,427	40,879	7,294	45,986	359,083	1,473,570
\$15,000 under \$20,000.	10,113	36,259	209,141	316,733	15,948	79,960	7,717	14,669	438,884	2,518,163
\$20,000 under \$25,000.	7,561	25,891	220,282	428,089	17,275	77,210	19,966	50,633	481,487	2,936,963
\$25,000 under \$30,000	6,187	1,322	226,863	413,895	17,633	75,033	18,848	54,591	487,435	3,382,663
\$30,000 under \$40,000.	16,511	65,804	498,961	835,814	43,993	230,489	34,712	137,692	837,346	6,032,536
\$40,000 under \$50,000.	24,685	141,147	513,108	973,082	39,924	332,962	36,851	109,070	775,984	6,755,703
\$50,000 under \$75,000.	59,875	178,453	1,320,257	3,001,327	127,425	1,068,920	88,798	374,398	1,633,784	19,390,026
\$75,000 under \$100,000.	52,796	223,649	1,105,826	2,895,835	90,652	773,993	83,727	421,942	1,086,457	17,019,295
\$100,000 under \$200,000	105,811	531,232	1,992,227	6,697,202	153,663	2,003,627	168,113	878,921	1,176,201	26,727,540
\$200,000 under \$500,000	64,376	677,682	965,757	5,414,041	111,030	1,964,948	120,061	812,974	298,744	11,359,207
\$500,000 under \$1,000,000...	26,266	361,804	257,243	2,501,531	41,167	933,471	50,139	525,118	53,128	2,773,108
\$1,000,000 or more	19,593	1,333,730	169,535	4,503,844	41,629	3,329,447	40,761	1,430,446	28,848	2,457,007
Nontaxable returns, total.....	67,475	1,009,286	1,322,037	2,133,453	187,679	1,741,060	193,141	4,232,417	1,678,734	9,216,696

Footnotes at end of table

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Pensions and annuities			Taxable			Net income			Rent			Net loss (includes nondeductible loss)			Net income			Royalty		
	Total		Number of returns	Amount		Number of returns	Amount		Number of returns	Amount		Number of returns	Amount		Number of returns	Amount		Number of returns	Amount		Number of returns
	(71)	(72)		(73)	(74)		(75)	(76)		(77)	(78)		(79)	(80)		(81)	(82)		(83)	(84)	
All returns, total.....	25,352,088	685,308,391	23,247,374	420,144,855	4,109,952	53,536,785	4,951,857	51,914,832	1,342,691	16,121,113	33,393	197,030									
No adjusted gross income	203,268	4,188,592	162,087	1,559,944	86,566	1,208,504	223,118	5,045,653	28,448	500,821	2,313	47,473									
\$1 under \$5,000	607,589	3,531,387	554,225	1,420,898	95,796	277,463	74,373	585,329	39,531	49,937	—	—									
\$5,000 under \$10,000	1,314,330	10,621,219	1,266,758	6,535,480	182,461	672,878	134,586	1,049,000	32,922	63,005	* 666	* 495									
\$10,000 under \$15,000	2,005,071	20,515,465	1,949,751	15,845,085	211,476	1,037,572	158,156	1,162,282	51,865	78,685	* 39	* 34									
\$15,000 under \$20,000	1,985,924	25,435,327	1,913,250	19,773,989	236,168	1,173,780	204,408	1,639,905	65,565	185,696	—	—									
\$20,000 under \$25,000	1,612,754	24,113,898	1,552,315	18,616,462	189,058	1,094,945	190,218	1,591,589	57,395	201,765	* 1,924	* 3,529									
\$25,000 under \$30,000	1,485,216	24,894,368	1,409,674	18,750,273	161,438	1,000,181	200,842	1,555,774	44,707	188,766	* 2,414	* 2,063									
\$30,000 under \$40,000	2,576,417	50,302,165	2,400,359	36,810,148	302,040	1,888,837	424,404	3,418,620	108,645	341,876	** 2,710	** 1,145									
\$40,000 under \$50,000	2,209,372	57,269,116	2,037,805	36,406,267	267,537	2,023,432	390,959	3,146,466	79,317	344,693	**	**									
\$50,000 under \$75,000	4,543,119	125,893,942	4,146,078	87,401,674	687,237	5,851,606	914,277	7,450,026	204,335	947,815	** 8,363	** 31,613									
\$75,000 under \$100,000	2,835,126	100,674,251	2,561,527	64,597,710	526,310	4,903,364	656,243	5,674,205	169,807	943,378	**	**									
\$100,000 under \$200,000	3,032,361	156,203,917	2,571,248	83,404,012	692,674	10,315,868	902,126	10,141,332	248,251	2,539,411	8,594	18,434									
\$200,000 under \$500,000	741,583	56,794,267	572,314	22,475,689	334,974	10,383,634	357,611	5,940,879	126,884	2,850,793	4,116	46,580									
\$500,000 under \$1,000,000	126,289	12,973,549	93,486	3,427,294	80,920	4,653,892	77,548	1,688,889	41,377	1,937,767	962	5,464									
\$1,000,000 under \$1,500,000	30,589	3,969,129	23,635	1,045,239	22,290	1,778,699	18,468	564,157	14,214	1,024,302	329	1,928									
\$1,500,000 under \$2,000,000	13,768	2,009,307	10,384	471,001	10,817	1,176,639	7,940	275,539	7,010	516,900	248	4,711									
\$2,000,000 under \$5,000,000	20,364	3,574,083	15,628	906,284	15,728	2,145,079	11,540	521,368	13,735	1,467,366	411	14,567									
\$5,000,000 under \$10,000,000	5,424	1,178,554	4,126	309,665	3,987	861,239	3,021	197,421	4,622	782,887	154	3,983									
\$10,000,000 or more	3,522	1,165,854	2,723	387,739	2,474	1,089,174	2,020	266,398	4,061	1,155,248	151	15,009									
Taxable returns, total.....	20,559,408	633,031,047	18,760,075	387,793,342	3,292,600	48,494,854	3,818,969	37,752,618	1,130,982	15,318,079	29,258	148,285									
No adjusted gross income	837	47,690	802	30,431	1,127	119,594	881	79,238	260	267,828	* 7	* 5,626									
\$1 under \$5,000	20,319	83,838	18,315	34,193	* 1,382	* 5,027	* 654	* 932	* 2,802	* 4,524	—	—									
\$5,000 under \$10,000	158,263	1,370,088	153,303	950,308	15,836	64,045	13,960	91,539	* 4,237	* 11,001	* 651	* 494									
\$10,000 under \$15,000	1,053,434	10,836,116	1,029,151	8,811,260	87,385	437,715	48,490	218,143	22,425	44,213	—	—									
\$15,000 under \$20,000	1,207,384	16,046,495	1,161,661	12,884,031	114,086	594,426	81,224	520,632	38,042	118,600	—	—									
\$20,000 under \$25,000	1,277,172	20,159,128	1,234,128	16,051,779	140,277	797,276	94,526	677,570	41,031	181,443	* 1,621	* 12									
\$25,000 under \$30,000	1,244,056	21,973,321	1,193,066	16,852,683	120,821	755,573	118,047	844,421	33,458	125,829	* 2,307	* 2,003									
\$30,000 under \$40,000	2,320,981	46,281,918	2,179,250	34,595,641	239,388	1,402,051	310,951	2,221,860	93,669	294,815	* 1,996	* 291									
\$40,000 under \$50,000	2,072,334	55,513,192	1,917,888	35,347,654	240,597	1,725,504	314,158	2,222,777	73,087	278,835	—	—									
\$50,000 under \$75,000	4,433,345	123,534,840	4,049,311	86,027,372	650,540	5,501,851	830,830	6,309,488	197,572	855,819	** 7,737	** 31,096									
\$75,000 under \$100,000	2,811,893	100,088,102	2,541,293	64,277,457	521,075	4,790,995	635,382	5,249,464	166,746	931,606	**	**									
\$100,000 under \$200,000	3,021,447	155,599,610	2,561,013	82,985,402	689,816	10,268,113	892,865	9,930,444	246,594	2,529,988	8,588	18,421									
\$200,000 under \$500,000	740,362	56,690,493	571,255	22,426,329	334,320	10,354,995	356,751	5,906,724	126,456	2,835,548	4,105	46,339									
\$500,000 under \$1,000,000	126,062	12,942,570	93,286	3,413,153	80,762	4,642,948	77,384	1,681,848	41,282	1,931,793	959	5,438									
\$1,000,000 or more	73,519	11,863,646	56,363	3,105,650	55,187	7,034,742	42,866	1,797,537	43,521	4,906,237	1,287	38,566									
Nontaxable returns, total.....	4,792,679	52,277,344	4,487,298	32,351,513	817,352	5,041,931	1,132,888	14,162,214	211,709	803,034	4,136	48,745									

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Farm rental				Total rental and royalty				Partnership and S Corporation			
	Net income		Net loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(83)	(84)	(85)	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)	
471,712	3,645,126	120,816	623,530	5,394,877	72,225,518	4,554,256	43,988,400	4,992,108	492,020,754	2,539,384	89,694,035	
No adjusted gross income	75,644	9,052	65,190	109,046	1,719,404	229,501	4,753,326	62,005	2,810,663	257,433	31,830,954	
\$1 under \$5,000...	21,626	* 2,482	* 10,664	138,942	343,269	74,028	607,807	85,284	302,402	63,953	918,769	
\$5,000 under \$10,000	116,265	6,487	36,444	226,766	843,050	136,376	1,001,025	98,796	520,570	65,862	867,347	
\$10,000 under \$15,000	163,383	7,282	15,152	270,948	1,255,424	159,791	1,089,207	116,072	958,531	68,975	891,879	
\$15,000 under \$20,000	177,352	9,858	51,079	316,764	1,512,038	206,151	1,590,289	127,610	1,172,432	87,738	916,964	
\$20,000 under \$25,000	175,516	5,797	36,717	248,186	1,450,177	188,625	1,498,708	123,314	1,308,193	86,378	914,050	
\$25,000 under \$30,000	141,081	4,448	15,700	220,400	1,310,957	200,358	1,504,439	135,596	1,521,158	85,471	1,075,372	
\$30,000 under \$40,000	234,622	14,177	58,576	408,879	2,445,758	425,422	3,264,286	268,230	3,962,221	156,143	1,744,681	
\$40,000 under \$50,000	235,213	7,455	15,526	354,235	2,565,723	383,016	2,903,065	251,060	4,203,701	157,695	1,915,076	
\$50,000 under \$75,000	575,676	14,792	73,773	896,206	7,319,027	891,855	7,133,181	701,364	12,744,712	353,571	3,611,639	
\$75,000 under \$100,000	441,414	13,486	93,344	676,810	6,157,252	655,691	5,268,992	598,918	14,427,045	276,883	3,224,888	
\$100,000 under \$200,000	707,340	16,931	47,795	906,807	13,331,435	730,938	6,515,837	1,176,897	50,247,327	503,326	7,230,120	
\$200,000 under \$500,000	401,270	6,190	64,578	424,597	13,389,984	193,549	3,851,573	821,163	92,456,134	248,778	7,748,355	
\$500,000 under \$1,000,000	104,315	** 2,381	** 38,992	110,032	6,612,413	48,253	1,368,456	250,517	70,349,681	70,300	5,019,884	
\$1,000,000 under \$1,500,000	34,479	**	**	32,070	2,805,874	12,332	487,977	71,812	38,558,597	19,862	2,521,377	
\$1,500,000 under \$2,000,000	11,039	**	**	15,791	1,685,910	5,656	235,440	32,760	24,327,262	9,794	1,822,393	
\$2,000,000 under \$5,000,000	16,954	**	**	25,691	3,599,146	8,665	471,847	49,902	63,716,782	17,407	5,008,656	
\$5,000,000 under \$10,000,000	5,403	**	**	7,346	1,639,721	2,355	183,567	12,583	34,374,400	5,638	3,226,646	
\$10,000,000 or more	6,534	**	**	5,360	2,238,958	1,695	259,377	8,223	74,058,943	4,176	9,204,985	
Taxable returns, total	3,166,567	93,889	492,199	4,346,188	66,037,361	3,429,031	30,814,081	4,381,245	482,289,775	1,851,421	51,065,729	
No adjusted gross income	3,774	--	--	1,166	379,137	1,002	88,256	1,418	862,594	1,790	2,325,345	
\$1 under \$5,000	--	--	--	3,984	9,551	* 3	* 13	14,537	37,238	7,819	74,480	
\$5,000 under \$10,000	* 20,163	--	--	22,202	94,184	13,653	90,616	28,078	150,224	7,574	84,258	
\$10,000 under \$15,000	74,607	* 1,656	* 912	114,163	553,979	50,155	219,608	57,893	441,785	18,343	127,112	
\$15,000 under \$20,000	86,492	8,556	50,894	156,859	778,712	85,789	499,032	68,428	590,197	32,457	173,018	
\$20,000 under \$25,000	139,720	5,797	36,717	182,499	1,111,958	95,456	653,997	80,272	877,098	51,134	353,375	
\$25,000 under \$30,000	117,911	* 4,413	* 15,506	164,794	981,747	119,179	815,196	86,825	933,706	46,199	346,971	
\$30,000 under \$40,000	197,624	13,522	58,497	331,551	1,877,375	315,893	2,183,693	188,507	2,627,616	103,130	752,611	
\$40,000 under \$50,000	231,146	6,206	11,834	322,370	2,211,823	307,832	2,145,672	208,672	3,195,402	124,699	1,025,817	
\$50,000 under \$75,000	567,982	14,792	73,773	854,270	6,873,965	810,101	5,983,419	644,487	11,367,285	316,557	2,577,103	
\$75,000 under \$100,000	441,372	13,482	93,340	669,996	6,035,992	635,587	4,952,953	587,477	13,928,798	268,519	2,784,306	
\$100,000 under \$200,000	706,970	16,915	47,467	902,805	13,275,175	722,512	6,379,952	1,169,310	49,887,051	498,742	6,801,937	
\$200,000 under \$500,000	400,384	6,177	64,440	423,646	13,345,298	193,102	3,827,415	820,043	92,330,284	247,754	7,499,779	
\$500,000 under \$1,000,000	104,289	** 2,374	** 38,818	109,812	6,596,030	48,147	1,362,894	250,236	70,277,132	70,054	4,931,164	
\$1,000,000 or more	74,132	**	--	86,071	11,912,436	30,621	1,611,363	175,061	234,783,364	56,648	21,208,453	
Non-taxable returns, total	478,559	26,927	131,331	1,048,689	6,188,157	1,125,224	13,174,320	610,863	9,730,979	687,963	38,628,307	
95,040												

Footnotes at end of table

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Estate and Trust				Farm				Unemployment compensation		Social security benefits	
	Net income		Net loss		Net income		Net loss		Unemployment compensation		Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)	(106)
All returns, total.....	493,504	18,138,463	35,713	1,854,404	610,647	8,484,072	1,370,603	20,652,859	7,887,700	27,857,367	15,510,458	252,239,705
No adjusted gross income	8,418	228,891	3,194	587,820	21,913	350,455	104,013	3,527,442	29,805	116,383	174,526	2,503,628
\$1 under \$5,000	14,120	24,622	* 651	* 185	29,939	96,863	37,481	375,642	199,606	360,069	476,348	5,909,738
\$5,000 under \$10,000	19,593	59,560	** 653	** 3,215	52,641	225,404	50,085	585,274	558,666	1,366,066	640,438	8,323,255
\$10,000 under \$15,000	12,937	41,946	**	**	41,945	275,928	57,708	496,585	874,703	2,638,860	793,125	11,516,434
\$15,000 under \$20,000	17,264	93,280	* 651	* 171	33,414	256,886	71,665	603,600	808,348	2,843,623	934,617	14,649,130
\$20,000 under \$25,000	17,156	126,573	** 2,305	** 2,992	29,661	249,188	80,268	878,362	734,638	2,619,422	1,092,678	17,396,065
\$25,000 under \$30,000	14,725	117,822	**	**	31,585	325,197	60,210	647,389	647,626	2,344,740	1,171,658	18,759,637
\$30,000 under \$40,000	26,624	202,026	* 1,932	* 1,615	67,157	657,774	147,285	1,664,553	909,891	3,386,348	1,944,910	29,733,332
\$40,000 under \$50,000	39,230	331,367	* 1,136	* 2,562	55,307	593,038	110,608	1,183,882	721,545	2,728,985	1,539,959	22,942,834
\$50,000 under \$75,000	69,118	572,147	5,590	39,689	99,804	1,308,407	243,926	2,410,589	1,279,873	4,685,943	2,970,552	47,379,769
\$75,000 under \$100,000	51,290	692,649	2,241	21,721	60,967	1,010,228	166,295	2,118,647	614,884	2,426,587	1,623,393	29,445,076
\$100,000 under \$200,000	112,582	2,423,126	5,903	31,155	60,370	1,694,519	163,264	2,831,590	436,094	1,944,155	1,566,757	30,994,707
\$200,000 under \$500,000	53,586	2,014,759	5,768	131,357	18,335	746,433	54,670	1,576,883	64,680	352,311	433,490	9,256,145
\$500,000 under \$1,000,000	18,327	1,827,006	1,825	86,457	4,636	246,887	14,521	654,468	5,694	34,329	89,070	2,002,063
\$1,000,000 under \$1,500,000	6,538	1,004,832	898	21,235	1,221	116,257	2,943	230,754	849	4,768	24,242	565,476
\$1,500,000 under \$2,000,000	3,085	682,771	560	35,939	490	71,668	1,755	140,117	254	1,564	11,126	273,331
\$2,000,000 under \$5,000,000	5,652	2,183,316	1,222	144,575	877	123,142	2,568	339,994	460	2,704	16,544	406,022
\$5,000,000 under \$10,000,000	1,750	1,197,538	553	113,536	240	55,312	798	145,422	60	368	4,263	109,259
\$10,000,000 or more	1,509	4,314,230	633	430,179	145	80,486	541	241,665	24	142	2,762	73,785
Taxable returns, total.....	443,292	17,738,301	27,730	1,060,755	396,596	6,585,483	995,269	13,997,197	5,247,559	19,277,384	13,027,952	214,615,190
No adjusted gross income	336	71,749	86	23,292	184	32,715	** 733	** 87,334	—	—	486	11,100
\$1 under \$5,000	7,511	15,002	—	—	* 647	* 788	**	**	12,720	18,518	16,710	126,584
\$5,000 under \$10,000	9,141	28,465	—	—	7,675	23,759	* 2,356	* 3,210	81,643	184,366	78,792	881,867
\$10,000 under \$15,000	9,915	38,324	—	—	11,168	69,600	14,779	131,101	389,249	1,120,808	414,888	5,102,556
\$15,000 under \$20,000	13,433	80,066	* 651	* 171	14,894	105,971	28,081	261,771	402,404	1,348,060	608,056	8,561,459
\$20,000 under \$25,000	10,988	92,194	** 1,280	** 92	17,319	126,225	58,300	560,286	408,510	1,368,697	920,530	14,405,297
\$25,000 under \$30,000	13,211	105,221	**	**	16,410	170,999	41,527	396,481	384,824	1,403,067	1,031,637	16,423,381
\$30,000 under \$40,000	21,959	144,073	* 624	* 487	44,641	375,216	113,906	1,182,135	680,295	2,413,064	1,794,277	27,434,095
\$40,000 under \$50,000	36,889	313,698	—	—	47,335	479,530	99,423	984,121	610,149	2,307,441	1,486,009	22,186,470
\$50,000 under \$75,000	67,170	565,279	5,585	39,681	90,136	1,133,868	230,083	2,201,305	1,209,340	4,402,737	2,926,347	46,718,857
\$75,000 under \$100,000	50,936	689,451	2,237	20,989	60,101	946,769	165,420	2,084,954	605,105	2,390,152	1,612,515	29,295,873
\$100,000 under \$200,000	111,682	2,404,106	5,881	29,109	60,180	1,682,494	163,040	2,807,072	431,398	1,924,694	1,557,935	30,818,096
\$200,000 under \$500,000	53,378	2,002,241	5,731	127,018	18,306	744,266	54,549	1,561,618	64,587	351,940	432,175	9,229,544
\$500,000 under \$1,000,000	18,263	1,820,357	1,813	82,648	4,631	246,601	14,485	651,351	5,691	34,309	88,836	1,996,769
\$1,000,000 or more	18,480	9,368,074	3,843	737,268	2,968	446,681	8,586	1,084,457	1,643	9,531	58,757	1,423,242
Nontaxable returns, total.....	50,212	400,162	7,983	593,649	214,051	1,898,589	375,334	6,655,662	2,640,140	8,579,982	2,482,506	37,624,515

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Social security benefits		Foreign earned income exclusion		Other income				Net operating loss		Gambling earnings	
	Taxable		Number of returns	Amount	Net income		Net loss		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount			Number of returns	Amount	Number of returns	Amount				
All returns, total.....	12,660,754	124,829,069	303,940	16,275,890	6,465,152	34,674,881	345,873	7,811,498	862,791	79,451,741	1,809,182	24,883,528
No adjusted gross income	1,799	18,635	61,175	2,399,467	81,657	641,298	129,682	3,850,050	449,541	67,950,519	18,999	221,549
\$1 under \$5,000.....	9,174	26,546	53,445	2,463,400	295,557	394,858	* 3,723	* 88,509	75,386	544,267	30,437	72,442
\$5,000 under \$10,000.....	21,458	115,964	14,121	702,177	331,411	751,539	7,235	75,490	65,269	470,586	57,609	171,511
\$10,000 under \$15,000.....	37,500	185,278	13,850	614,909	361,231	993,614	9,414	52,386	41,732	402,412	73,748	227,384
\$15,000 under \$20,000.....	327,820	401,990	13,151	556,553	348,124	754,313	11,952	80,195	33,132	368,740	109,958	468,141
\$20,000 under \$25,000.....	897,024	1,231,047	8,714	526,679	306,498	623,449	13,011	86,199	21,176	270,735	102,567	439,920
\$25,000 under \$30,000.....	1,140,682	2,857,408	4,935	308,867	322,194	984,320	* 5,174	* 44,977	17,033	169,238	88,413	351,869
\$30,000 under \$40,000.....	1,944,253	9,022,551	13,835	681,133	572,730	1,317,304	19,292	84,543	31,371	439,593	168,504	715,111
\$40,000 under \$50,000.....	1,539,959	12,282,096	13,848	715,563	515,319	1,283,964	9,707	98,814	23,212	459,792	164,948	787,654
\$50,000 under \$75,000.....	2,969,555	36,623,337	29,990	1,901,792	1,073,788	2,901,496	36,684	401,733	33,874	668,501	333,518	2,239,964
\$75,000 under \$100,000.....	1,623,288	24,936,367	14,523	948,249	784,018	2,649,148	21,683	301,172	18,641	596,532	243,904	1,777,776
\$100,000 under \$200,000.....	1,566,754	26,344,945	27,504	1,916,757	954,743	5,273,667	39,861	794,315	28,507	1,364,181	309,571	4,837,422
\$200,000 under \$500,000.....	433,481	7,867,496	23,505	1,694,928	346,485	5,541,125	25,099	877,634	14,175	1,226,097	82,132	4,485,759
\$500,000 under \$1,000,000.....	89,068	1,701,728	6,450	473,885	93,910	2,682,038	7,152	313,659	4,690	791,676	14,727	2,050,754
\$1,000,000 under \$1,500,000.....	24,242	480,650	2,122	157,892	27,435	1,521,397	2,325	153,648	1,916	622,742	4,731	1,245,433
\$1,500,000 under \$2,000,000.....	11,126	232,330	900	73,727	13,891	959,886	1,073	79,250	757	329,078	1,590	514,941
\$2,000,000 under \$5,000,000.....	16,544	345,116	1,436	107,048	23,257	2,197,765	1,896	155,080	1,580	958,830	2,697	1,290,128
\$5,000,000 under \$10,000,000.....	4,263	92,870	271	20,903	7,323	1,115,341	514	79,063	452	547,636	696	744,954
\$10,000,000 or more.....	2,762	62,717	165	11,961	5,581	2,088,359	396	214,782	346	1,270,586	434	2,240,815
Taxable returns, total.....	12,018,896	122,137,655	133,131	8,372,733	5,114,468	30,636,222	181,899	3,499,100	178,622	19,513,812	1,472,067	21,896,912
No adjusted gross income	* 53	* 534	--	--	975	93,076	* 23	* 6,160	4,345	10,592,564	196	3,923
\$1 under \$5,000.....	--	--	--	--	90,543	98,100	--	--	* 1,726	* 8,441	* 1,952	* 6,382
\$5,000 under \$10,000.....	* 6,279	* 44,854	* 1,605	* 73,204	82,874	186,548	* 2,315	* 34,574	4,943	91,630	7,231	21,161
\$10,000 under \$15,000.....	23,555	120,210	* 2,603	* 101,797	143,852	328,357	* 4,012	* 13,889	7,781	94,115	25,102	77,484
\$15,000 under \$20,000.....	258,534	288,957	6,791	222,338	198,027	414,485	* 5,265	* 22,335	8,845	92,833	59,377	226,074
\$20,000 under \$25,000.....	765,923	1,065,905	6,057	364,454	203,462	380,638	9,184	52,300	11,056	98,829	61,951	251,377
\$25,000 under \$30,000.....	1,009,465	2,553,775	* 1,655	* 102,244	222,594	620,614	* 1,610	* 17,786	10,588	80,374	61,374	261,190
\$30,000 under \$40,000.....	1,793,620	8,346,418	10,234	549,321	462,055	1,021,168	17,634	78,472	21,185	261,028	140,110	535,710
\$40,000 under \$50,000.....	1,486,009	11,848,704	9,583	451,278	452,312	1,129,662	9,379	64,005	15,874	257,765	149,916	643,379
\$50,000 under \$75,000.....	2,925,351	36,111,970	25,960	1,567,253	1,019,785	2,586,799	34,921	355,659	23,657	502,737	314,061	1,936,220
\$75,000 under \$100,000.....	1,612,412	24,809,569	13,515	860,085	772,472	2,608,186	21,013	290,388	17,884	566,024	240,960	1,610,592
\$100,000 under \$200,000.....	1,557,935	26,194,846	24,192	1,702,639	948,884	5,160,657	38,831	723,020	27,305	1,254,570	303,897	4,310,543
\$200,000 under \$500,000.....	432,169	7,844,934	22,070	1,572,772	345,624	5,503,395	24,528	854,932	13,841	1,181,706	81,350	4,284,545
\$500,000 under \$1,000,000.....	88,835	1,697,233	6,133	447,156	93,712	2,668,949	7,033	307,879	4,607	773,509	14,544	1,934,416
\$1,000,000 or more.....	58,757	1,209,746	4,733	358,193	77,298	7,835,587	6,151	677,701	4,985	3,657,688	10,046	5,793,907
Nontaxable returns, total.....	641,858	2,691,414	168,808	7,903,157	1,350,684	4,038,659	163,974	4,312,398	694,169	59,937,928	337,115	2,986,615

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Statutory adjustments											
	Total		IRA Payments		Student loan interest deduction		Educator expenses deduction		Tuition and fees deduction		Domestic production activities deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(119)	(120)	(121)	(122)	(123)	(124)	(125)	(126)	(127)	(128)	(129)	(130)	
All returns, total.....	33,591,124	109,396,547	3,256,066	12,003,037	8,072,896	5,052,720	3,503,719	877,796	4,696,013	10,846,990	336,959	2,360,983
No adjusted gross income	396,882	1,388,020	13,756	51,703	53,862	43,905	6,798	1,366	99,201	314,857	--	--
\$1 under \$5,000	1,513,944	1,558,827	24,583	55,176	125,089	57,179	7,133	1,321	222,582	633,251	* 2,715	* 125
\$5,000 under \$10,000	2,366,058	2,798,551	54,262	121,444	237,537	123,450	23,586	4,587	353,818	874,083	* 1,392	* 222
\$10,000 under \$15,000	2,262,017	3,049,267	107,911	297,229	327,528	164,796	54,504	12,520	219,153	504,109	1,957	566
\$15,000 under \$20,000	1,937,562	3,017,210	132,370	375,540	438,254	218,731	84,134	18,938	218,077	445,990	5,413	1,999
\$20,000 under \$25,000	1,786,523	3,031,966	164,907	434,935	539,695	279,433	87,305	20,673	168,711	356,447	3,300	1,260
\$25,000 under \$30,000	1,763,579	3,187,150	193,885	586,128	609,688	340,635	132,707	31,497	146,169	295,031	9,423	5,057
\$30,000 under \$40,000	3,202,211	6,366,173	416,483	1,273,817	1,140,014	730,053	373,526	85,141	252,045	489,921	12,560	8,074
\$40,000 under \$50,000	2,924,209	6,700,428	398,722	1,397,762	961,423	673,592	350,942	83,059	371,590	836,448	11,268	4,405
\$50,000 under \$75,000	5,625,263	13,713,199	686,725	2,497,003	1,800,848	1,116,420	849,486	212,585	704,067	1,452,525	37,032	32,319
\$75,000 under \$100,000	3,741,942	12,132,320	404,258	1,604,014	1,139,067	921,338	707,892	185,577	635,299	1,538,437	38,255	33,845
\$100,000 under \$200,000	4,501,000	23,811,897	517,344	2,348,539	699,891	383,189	731,757	197,773	1,305,302	3,105,890	76,330	122,041
\$200,000 under \$500,000	1,131,192	16,396,000	107,928	737,354	--	--	85,472	20,745	--	--	73,482	306,180
\$500,000 under \$1,000,000	267,145	6,031,755	21,626	144,241	--	--	** 8,477	** 2,012	--	--	29,456	266,249
\$1,000,000 under \$1,500,000	69,413	1,913,692	5,178	35,041	--	--	--	--	--	--	11,252	180,282
\$1,500,000 under \$2,000,000	31,646	923,913	2,221	16,231	--	--	--	--	--	--	5,997	130,393
\$2,000,000 under \$5,000,000	48,910	1,753,087	3,057	21,018	--	--	--	--	--	--	10,993	418,532
\$5,000,000 under \$10,000,000	12,892	606,199	612	4,225	--	--	--	--	--	--	3,402	252,001
\$10,000,000 or more	8,738	1,016,894	238	1,638	--	--	--	--	--	--	2,732	597,434
Taxable returns, total.....	24,092,310	93,026,272	2,765,155	10,521,622	6,666,196	4,245,150	3,171,146	799,060	3,438,155	7,651,245	318,498	2,347,280
No adjusted gross income	2,046	23,704	386	2,292	* 4	* 6	* 7	* 2	67	266	--	--
\$1 under \$5,000	29,070	8,450	* 3,009	* 4,410	--	--	--	--	--	--	* 651	* 7
\$5,000 under \$10,000	264,496	269,470	12,238	20,660	32,231	16,348	* 5,793	* 1,028	40,518	99,699	* 651	* 159
\$10,000 under \$15,000	699,765	896,824	19,875	57,337	175,959	96,048	23,912	5,735	85,768	200,074	* 1,160	* 461
\$15,000 under \$20,000	937,018	1,343,607	75,187	195,560	296,722	146,031	47,845	10,736	78,504	132,963	4,392	1,496
\$20,000 under \$25,000	1,045,618	1,520,499	103,300	271,532	376,978	178,736	57,801	13,342	65,669	101,595	* 2,109	* 564
\$25,000 under \$30,000	1,127,498	1,859,638	126,520	356,556	465,004	257,119	98,311	23,335	63,439	115,379	3,841	2,436
\$30,000 under \$40,000	2,439,615	4,673,072	358,359	1,097,068	935,832	600,942	301,048	68,610	169,303	290,480	10,881	6,968
\$40,000 under \$50,000	2,503,613	5,586,363	354,012	1,246,834	853,819	606,720	309,688	73,046	330,584	734,815	10,340	3,659
\$50,000 under \$75,000	5,296,179	12,645,017	657,878	2,392,370	1,702,705	1,051,153	803,397	199,776	672,131	1,355,387	34,689	28,662
\$75,000 under \$100,000	3,691,770	11,928,925	397,790	1,575,760	1,128,369	910,374	698,852	183,347	628,199	1,519,659	36,653	32,781
\$100,000 under \$200,000	4,487,981	23,665,358	515,942	2,342,630	698,573	381,674	730,578	197,354	1,303,973	3,100,928	76,002	121,365
\$200,000 under \$500,000	1,129,499	16,373,002	107,771	736,445	--	--	85,442	20,737	--	--	73,370	305,751
\$500,000 under \$1,000,000	266,782	6,024,728	21,597	144,088	--	--	** 8,473	** 2,012	--	--	29,428	265,993
\$1,000,000 or more	171,359	6,207,616	11,293	78,059	--	--	--	--	--	--	34,331	1,576,979
Nontaxable returns, total.....	9,498,814	16,370,275	480,910	1,481,415	1,406,700	807,569	332,573	78,736	1,257,857	3,195,745	18,461	13,704

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued
(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Statutory adjustments—continued													
Size of adjusted gross income	Health savings account deduction		Deduction for self-employment tax		Moving expense adjustment		Payments to a Keogh plan		Penalty on early withdrawal of savings		Alimony paid		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
	(131)	(132)	(133)	(134)	(135)	(136)	(137)	(138)	(139)	(140)	(141)	(142)	
All returns, total.....	215,781	510,690	16,694,655	22,733,881	1,134,137	3,076,563	1,256,900	21,268,404	805,625	265,870	588,463	8,954,038	
No adjusted gross income.....	2,066	5,652	221,977	200,259	9,668	83,269	6,444	61,237	15,634	4,213	9,923	204,592	
\$1 under \$5,000.....	* 658	* 1,152	1,165,901	268,743	13,352	30,628	8,454	21,250	45,604	11,156	3,296	35,022	
\$5,000 under \$10,000.....	* 2,476	* 7,955	1,786,468	848,867	27,910	86,632	10,501	23,869	55,048	20,850	15,182	98,840	
\$10,000 under \$15,000.....	* 4,018	* 5,295	1,628,949	1,122,636	54,812	87,629	8,299	74,260	49,828	14,401	11,113	81,588	
\$15,000 under \$20,000.....	* 2,922	* 4,656	1,111,525	938,750	69,453	130,840	17,761	77,530	55,939	10,310	19,235	116,325	
\$20,000 under \$25,000.....	13,224	14,709	884,829	861,174	83,296	122,465	19,483	114,593	49,036	13,999	10,837	54,754	
\$25,000 under \$30,000.....	5,679	9,539	797,375	805,223	79,465	135,215	16,814	77,716	46,578	6,754	16,689	147,128	
\$30,000 under \$40,000.....	9,729	18,538	1,317,895	1,488,890	134,699	269,713	50,140	310,322	75,301	17,362	36,562	220,006	
\$40,000 under \$50,000.....	18,661	34,020	1,122,616	1,292,338	117,618	267,888	56,893	351,539	72,102	15,784	55,893	469,973	
\$50,000 under \$75,000.....	41,888	94,204	2,178,367	2,914,558	218,530	567,288	131,466	1,042,786	145,124	31,239	121,348	1,053,376	
\$75,000 under \$100,000.....	24,055	51,748	1,460,871	2,432,157	137,262	445,397	160,275	1,632,836	77,071	66,433	91,257	983,276	
\$100,000 under \$200,000.....	51,216	134,599	1,925,078	4,539,652	152,379	585,578	383,459	5,951,038	82,431	25,090	118,255	2,087,496	
\$200,000 under \$500,000.....	28,814	90,711	783,913	2,921,800	29,976	207,856	278,377	7,207,075	26,927	19,052	53,953	1,710,215	
\$500,000 under \$1,000,000.....	7,508	27,764	189,360	994,390	** 5,719	** 56,166	71,078	2,690,691	5,652	3,175	15,406	762,867	
\$1,000,000 under \$1,500,000.....	1,531	5,428	48,891	337,517	**	**	17,387	734,461	1,342	1,739	3,709	286,270	
\$1,500,000 under \$2,000,000.....	407	1,475	21,856	170,983	**	**	7,134	310,322	626	633	1,640	137,334	
\$2,000,000 under \$5,000,000.....	769	2,729	33,546	318,513	**	**	9,618	452,793	995	2,023	2,868	272,811	
\$5,000,000 under \$10,000,000.....	122	398	9,038	109,139	**	**	2,044	84,156	232	1,050	748	89,208	
\$10,000,000 or more.....	36	116	6,196	168,293	**	**	1,274	49,930	154	608	547	142,955	
Taxable returns, total.....	183,688	451,121	10,109,961	17,895,284	938,816	2,512,501	1,174,318	20,751,639	598,219	201,723	532,250	8,321,570	
No adjusted gross income.....	* 5	* 21	1,539	6,729	**	**	29	718	62	132	145	9,666	
\$1 under \$5,000.....	—	—	21,772	2,760	** 987	** 335	—	—	* 2,654	* 188	—	—	
\$5,000 under \$10,000.....	—	—	170,648	62,137	* 5,956	* 14,557	* 1,276	* 2,561	11,594	536	* 1,317	* 14,222	
\$10,000 under \$15,000.....	—	—	391,318	236,593	34,227	44,495	* 439	* 31,713	19,459	6,161	* 4,844	* 38,205	
\$15,000 under \$20,000.....	* 652	* 3,177	449,887	350,355	34,348	69,521	12,011	46,114	32,146	4,457	11,172	70,511	
\$20,000 under \$25,000.....	8,590	8,169	434,803	396,860	60,099	84,444	10,558	37,489	40,153	9,349	7,795	41,781	
\$25,000 under \$30,000.....	* 2,749	* 3,161	419,013	384,657	62,986	98,011	9,199	40,997	37,265	5,510	14,384	117,513	
\$30,000 under \$40,000.....	6,529	13,256	876,140	950,406	107,204	191,039	42,699	256,740	60,171	13,200	31,544	146,464	
\$40,000 under \$50,000.....	14,456	28,788	893,912	987,277	103,450	209,595	48,022	303,882	63,909	14,499	52,207	399,853	
\$50,000 under \$75,000.....	37,087	81,585	2,006,092	2,611,969	208,123	526,897	123,096	978,202	136,503	28,255	120,958	1,041,537	
\$75,000 under \$100,000.....	23,377	50,537	1,438,129	2,382,618	134,603	434,311	159,582	1,623,359	76,049	66,228	91,235	982,529	
\$100,000 under \$200,000.....	51,102	133,973	1,915,402	4,508,538	151,233	576,105	380,730	5,907,181	82,406	25,063	117,964	2,068,245	
\$200,000 under \$500,000.....	28,774	90,565	782,806	2,917,827	29,895	207,149	278,196	7,201,857	26,862	18,945	53,821	1,703,673	
\$500,000 under \$1,000,000.....	7,505	27,756	189,120	993,446	** 5,707	** 56,042	71,046	2,689,661	5,643	3,168	15,375	760,326	
\$1,000,000 or more.....	2,861	10,133	119,379	1,103,113	**	**	37,435	1,631,165	3,342	6,032	9,489	927,046	
Nontaxable returns, total.....	32,092	59,569	6,584,694	4,838,597	195,321	564,062	82,582	516,765	207,406	64,147	56,212	632,467	

Footnotes at end of table

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Statutory adjustments—continued												Basic standard deduction		Additional standard deduction	
	Self-employed health insurance deduction		Medical savings account deduction		Certain business expenses of reservist, performing artist, etc.		Other adjustments ¹		Number of returns		Amount		Number of returns		Amount	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(143)	(144)	(145)	(146)	(147)	(148)	(149)	(150)		(151)	(152)	(153)	(154)			
All returns, total.....	3,901,082	19,645,889	18,808	41,341	100,111	285,073	257,014	1,402,311	84,841,222	564,186,053	10,996,440	16,561,658				
No adjusted gross income	91,893	395,272	**	**	* 305	* 197	2,010	21,380	—	—	—	—				
\$1 under \$5,000	144,834	408,796	** 305	** 689	7,653	31,163	* 1,309	* 3,180	11,134,021	48,366,055	829,461	1,163,785				
\$5,000 under \$10,000	181,198	534,558	—	—	* 5,317	* 15,895	7,917	37,152	11,502,174	67,069,442	1,334,121	1,858,525				
\$10,000 under \$15,000	194,484	621,582	* 655	* 1,507	* 3,994	* 7,151	* 6,282	* 53,999	10,585,057	66,852,369	1,604,388	2,348,323				
\$15,000 under \$20,000	184,054	630,834	—	—	* 5,953	* 16,059	6,623	30,516	9,750,522	64,765,045	1,445,076	2,199,439				
\$20,000 under \$25,000	203,383	729,741	* 146	* 574	* 3,015	* 7,846	* 5,888	* 19,363	8,147,728	55,105,028	971,114	1,499,304				
\$25,000 under \$30,000	180,832	653,012	* 1,279	* 3,374	* 6,708	* 18,265	11,256	72,577	6,811,176	46,852,064	749,964	1,152,791				
\$30,000 under \$40,000	313,875	1,369,234	* 1,882	* 3,652	* 7,306	* 16,788	20,941	64,651	9,574,571	68,697,634	1,082,958	1,667,910				
\$40,000 under \$50,000	267,262	1,128,868	* 2,617	* 1,118	10,576	37,273	16,668	106,358	5,986,088	46,425,431	775,226	1,166,899				
\$50,000 under \$75,000	539,508	2,507,223	* 2,713	* 6,180	19,163	44,915	44,035	137,547	7,526,518	64,618,463	1,205,564	1,869,244				
\$75,000 under \$100,000	400,075	2,070,567	* 602	* 965	5,770	28,685	38,796	137,015	2,470,617	22,898,144	558,313	886,424				
\$100,000 under \$200,000	642,227	3,891,460	4,765	11,971	22,370	53,610	64,709	360,388	1,125,928	10,536,442	363,749	623,878				
\$200,000 under \$500,000	376,983	2,982,549	** 3,844	** 11,311	1,517	3,802	22,534	166,955	159,625	1,400,944	60,382	96,463				
\$500,000 under \$1,000,000	109,382	1,018,097	**	**	* 426	* 2,398	4,572	70,318	42,082	370,061	11,682	18,241				
\$1,000,000 under \$1,500,000	29,699	282,281	**	**	* 25	* 605	1,586	26,232	11,664	106,819	3,060	4,956				
\$1,500,000 under \$2,000,000	13,599	137,029	**	**	—	—	625	12,809	5,681	51,757	1,481	2,430				
\$2,000,000 under \$5,000,000	19,952	200,845	**	**	* 8	* 414	809	50,086	6,459	58,798	1,598	2,579				
\$5,000,000 under \$10,000,000	4,786	49,872	**	**	** 5	** 7	260	14,487	977	8,649	221	348				
\$10,000,000 or more	3,056	34,068	**	**	**	**	191	17,297	333	2,908	83	118				
Taxable returns, total.....	2,915,639	15,770,711	14,424	32,332	75,511	211,728	225,770	1,245,056	49,409,433	327,325,430	7,632,427	11,438,483				
No adjusted gross income	480	3,770	—	—	—	—	* 8	* 96	—	—	—	—				
\$1 under \$5,000	* 651	* 757	—	—	—	—	—	—	801,279	1,229,179	* 5,190	* 6,335				
\$5,000 under \$10,000	18,308	33,163	—	—	—	—	* 1,657	* 4,401	3,682,529	17,767,525	123,643	153,356				
\$10,000 under \$15,000	60,973	145,727	—	—	* 1,997	* 4,922	* 2,962	* 29,355	5,474,539	27,303,783	930,702	1,182,586				
\$15,000 under \$20,000	98,016	297,399	—	—	* 2,647	* 9,424	* 2,672	* 5,843	5,350,968	29,746,008	920,943	1,273,486				
\$20,000 under \$25,000	109,539	358,933	—	—	* 2,010	* 2,237	* 3,295	* 15,468	4,980,230	29,961,188	904,114	1,413,147				
\$25,000 under \$30,000	113,279	384,990	—	—	* 6,017	* 18,036	* 6,944	* 51,938	4,629,793	28,509,475	706,397	1,096,123				
\$30,000 under \$40,000	230,625	969,553	* 1,230	* 2,244	* 6,289	* 15,619	16,340	50,469	7,832,568	52,902,412	1,066,199	1,646,573				
\$40,000 under \$50,000	216,527	839,380	* 1,621	* 918	8,955	34,016	15,803	103,079	5,459,704	41,331,854	772,188	1,163,565				
\$50,000 under \$75,000	481,612	2,165,889	* 2,365	* 4,927	17,510	41,015	42,388	134,488	7,383,482	63,223,865	1,204,603	1,888,042				
\$75,000 under \$100,000	390,083	2,008,491	* 602	* 965	* 5,741	* 25,638	38,491	132,328	2,467,332	22,865,440	556,308	886,418				
\$100,000 under \$200,000	638,812	3,863,600	4,765	11,971	22,370	53,610	64,699	360,215	1,121,512	10,495,703	363,715	623,830				
\$200,000 under \$500,000	376,457	2,978,650	** 3,841	** 11,306	* 1,512	* 3,787	22,486	166,406	158,636	1,392,716	60,318	96,371				
\$500,000 under \$1,000,000	109,257	1,016,926	**	**	* 426	* 2,398	4,561	70,251	41,865	368,331	11,673	18,229				
\$1,000,000 or more	71,022	703,481	**	**	* 38	* 1,026	3,464	120,719	24,996	227,951	6,436	10,421				
Nontaxable returns, total.....	985,442	3,875,178	4,384	9,009	24,600	73,345	31,244	157,255	35,431,790	236,860,623	3,364,013	5,123,175				

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Total itemized deductions		Exemptions		Taxable income		Alternative minimum tax		Income tax before credits	
	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(155)	(156)	(157)	(158)	(159)	(160)	(161)	(162)	(163)	(164)
All returns, total	47,755,427	1,121,810,935	269,043,070	839,904,186	104,330,653	5,137,165,874	4,004,756	17,421,071	104,345,964	990,151,766
No adjusted gross income	--	--	2,876,385	9,179,786	--	--	** 8,890	** 148,003	7,184	137,452
\$1 under \$5,000	339,901	4,770,434	9,158,935	29,228,913	831,655	840,792	**	**	829,718	75,990
\$5,000 under \$10,000	611,056	8,753,500	15,383,275	49,134,708	4,306,986	7,514,711	**	**	4,301,209	738,151
\$10,000 under \$15,000	1,049,971	14,217,288	19,474,957	62,213,026	6,716,497	27,841,440	* 238	* 1,087	6,718,057	2,760,608
\$15,000 under \$20,000	1,375,084	19,764,976	20,305,871	64,880,926	8,349,482	56,397,904	* 687	* 988	8,350,096	6,060,785
\$20,000 under \$25,000	1,635,440	23,093,617	18,825,428	60,157,164	8,783,347	85,498,398	1,986	4,537	8,780,776	9,894,850
\$25,000 under \$30,000	1,926,931	27,349,343	17,129,265	54,751,803	8,312,937	113,233,998	2,003	3,697	8,311,983	13,597,807
\$30,000 under \$40,000	4,363,179	63,750,322	28,253,196	90,311,024	13,558,278	283,351,029	2,806	9,267	13,558,376	32,855,615
\$40,000 under \$50,000	4,630,770	71,017,053	23,057,203	73,729,020	10,471,822	285,012,456	20,439	29,940	10,472,749	38,473,643
\$50,000 under \$75,000	10,824,518	190,828,603	44,747,400	143,101,480	18,237,299	730,304,487	127,175	128,416	18,239,597	105,684,863
\$75,000 under \$100,000	7,978,361	163,912,142	28,682,731	91,747,257	10,420,626	621,931,963	180,455	266,632	10,425,104	94,963,969
\$100,000 under \$200,000	9,681,401	267,928,010	30,857,785	98,329,559	10,782,157	1,054,728,764	1,453,782	2,661,737	10,788,843	195,134,709
\$200,000 under \$500,000	2,577,872	118,186,053	7,894,394	13,138,692	2,733,034	657,160,850	1,934,237	8,842,035	2,734,846	161,500,748
\$500,000 under \$1,000,000	482,243	41,719,984	1,537,272	574	523,352	313,445,881	** 272,057	** 5,324,732	523,966	86,205,566
\$1,000,000 under \$1,500,000	116,261	16,410,416	359,725	107	127,680	138,339,811	**	**	127,769	38,939,334
\$1,500,000 under \$2,000,000	50,933	9,712,622	162,033	55	56,504	87,812,010	**	**	56,551	24,547,956
\$2,000,000 under \$5,000,000	77,611	24,226,834	238,252	62	83,885	226,492,549	**	**	83,980	62,555,164
\$5,000,000 under \$10,000,000	20,453	14,065,260	60,172	19	21,381	132,899,011	**	**	21,407	35,390,423
\$10,000,000 or more	13,443	42,104,467	38,794	9	13,732	334,359,818	**	**	13,754	80,634,102
Taxable returns, total	41,165,626	973,890,948	171,691,204	528,892,944	90,570,564	5,023,778,024	3,989,725	17,406,910	90,593,081	977,752,505
No adjusted gross income	--	--	10,718	34,226	--	--	** 7,616	** 146,558	4,882	135,977
\$1 under \$5,000	11,261	25,772	3,037	9,700	812,819	831,614	**	**	813,194	75,211
\$5,000 under \$10,000	26,804	102,773	1,045,951	3,338,201	3,709,277	7,015,578	**	**	3,710,338	689,118
\$10,000 under \$15,000	277,545	2,051,382	4,970,276	15,877,993	5,752,705	25,313,407	* 235	* 1,085	5,752,740	2,512,085
\$15,000 under \$20,000	636,495	5,732,125	6,515,132	20,815,988	5,988,432	47,482,697	* 676	* 935	5,988,457	5,151,552
\$20,000 under \$25,000	905,049	9,326,824	7,291,600	23,303,852	5,886,222	68,097,481	1,986	4,537	5,886,278	8,121,943
\$25,000 under \$30,000	1,228,440	13,822,542	7,709,355	24,636,013	5,858,185	93,313,615	1,987	3,686	5,858,233	11,527,468
\$30,000 under \$40,000	3,271,249	40,265,030	17,251,609	55,142,038	11,106,368	236,966,822	2,670	9,248	11,106,472	30,063,254
\$40,000 under \$50,000	3,863,857	52,628,190	17,268,346	55,213,338	9,324,900	267,742,679	17,171	28,143	9,325,210	36,589,475
\$50,000 under \$75,000	10,108,338	166,981,696	40,566,969	129,734,349	17,489,662	715,392,720	122,693	124,703	17,491,819	103,984,863
\$75,000 under \$100,000	7,860,996	157,498,195	28,067,479	89,781,788	10,325,226	619,386,318	175,771	261,146	10,329,339	94,657,583
\$100,000 under \$200,000	9,642,837	262,858,730	30,718,832	97,887,654	10,760,740	1,053,604,785	1,452,643	2,660,339	10,767,383	194,942,357
\$200,000 under \$500,000	2,573,290	116,859,532	7,880,160	13,116,982	2,730,413	656,545,274	1,934,224	8,841,987	2,732,229	161,352,818
\$500,000 under \$1,000,000	481,355	41,170,729	1,534,515	571	522,787	313,129,523	** 272,054	** 5,324,542	523,401	86,119,070
\$1,000,000 or more	278,109	104,567,429	857,226	252	302,828	918,955,511	**	**	303,106	241,829,730
Nontaxable returns, total	6,589,801	147,919,988	97,351,866	311,011,242	13,760,089	113,387,849	15,031	14,161	13,752,863	12,399,261

[1] Other adjustments does not include the foreign housing adjustment.

* Estimate should be used with caution due to the small number of sample returns on which it is based

** Data combined to avoid disclosure of information for specific taxpayers.

NOTE: Detail may not add to totals because of rounding

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest		Tax-exempt interest		Ordinary dividends		Qualified dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	0.01	0.08	0.10	0.16	0.25	0.70	1.10	1.45	0.39	0.73	0.44	0.86
No adjusted gross income	137	1.03	2.76	3.32	1.96	2.16	7.23	7.13	2.33	3.18	2.57	3.44
\$1 under \$5,000	0.81	0.94	0.94	1.64	1.75	3.83	9.72	22.05	2.31	3.96	2.54	4.52
\$5,000 under \$10,000	0.79	0.81	0.91	1.03	1.72	3.91	8.22	15.32	2.47	4.47	2.75	5.27
\$10,000 under \$15,000	0.82	0.82	0.95	1.03	1.67	3.74	7.94	20.54	2.39	4.31	2.68	5.07
\$15,000 under \$20,000	0.84	0.85	0.95	1.00	1.64	3.89	7.88	20.61	2.39	4.84	2.68	5.98
\$20,000 under \$25,000	0.91	0.92	1.00	1.04	1.75	4.34	8.60	13.94	2.57	5.27	2.92	5.85
\$25,000 under \$30,000	0.97	0.98	1.05	1.09	1.76	4.78	7.98	15.59	2.68	5.81	2.98	7.19
\$30,000 under \$40,000	0.75	0.75	0.80	0.84	1.25	3.60	5.63	13.61	1.88	4.33	2.08	5.10
\$40,000 under \$50,000	0.77	0.77	0.83	0.87	1.22	3.73	5.57	17.53	1.86	4.46	2.07	5.31
\$50,000 under \$75,000	0.52	0.52	0.56	0.60	0.77	2.81	3.44	7.25	1.18	3.14	1.31	3.89
\$75,000 under \$100,000	0.69	0.69	0.75	0.80	0.89	3.40	3.83	7.74	1.32	3.76	1.48	4.50
\$100,000 under \$200,000	0.63	0.60	0.69	0.73	0.71	2.73	2.32	4.43	0.94	2.69	1.02	3.24
\$200,000 under \$500,000	0.73	0.67	0.83	0.94	0.76	2.52	1.72	3.45	0.88	2.40	0.93	2.81
\$500,000 under \$1,000,000	0.97	0.86	1.13	1.36	0.98	2.51	1.63	2.89	1.06	2.72	1.10	3.15
\$1,000,000 under \$1,500,000	1.21	1.14	1.40	1.85	1.22	2.64	1.74	3.22	1.28	3.12	1.33	3.54
\$1,500,000 under \$2,000,000	0.92	0.93	1.07	1.52	0.93	2.19	1.35	2.95	0.98	2.88	1.01	3.38
\$2,000,000 under \$5,000,000	0.51	0.43	0.60	0.89	0.51	1.12	0.69	1.41	0.53	1.45	0.55	1.70
\$5,000,000 under \$10,000,000	0.55	0.45	0.62	0.88	0.55	0.72	0.65	0.57	0.56	1.10	0.58	1.29
\$10,000,000 or more	0.02	0.01	0.02	--	0.02	0.03	0.02	0.07	0.02	--	0.02	--
Taxable returns, total	0.15	0.10	0.19	0.19	0.28	0.76	1.16	1.50	0.43	0.76	0.48	0.90
No adjusted gross income	1340	1.64	18.20	12.77	12.65	1.80	22.64	25.37	14.54	3.81	15.39	4.27
\$1 under \$5,000	3.23	3.58	4.74	6.74	4.20	7.72	20.99	33.67	4.00	6.01	4.20	6.80
\$5,000 under \$10,000	1.54	1.57	1.61	1.71	3.23	8.43	14.46	25.65	4.22	8.01	4.61	9.20
\$10,000 under \$15,000	1.22	1.23	1.38	1.45	2.37	5.26	10.92	25.25	3.39	5.99	3.77	7.01
\$15,000 under \$20,000	1.20	1.20	1.34	1.40	2.17	5.08	10.12	20.60	3.11	6.46	3.48	7.92
\$20,000 under \$25,000	1.21	1.21	1.35	1.40	2.06	4.70	9.90	18.22	2.95	5.84	3.33	6.68
\$25,000 under \$30,000	1.22	1.22	1.33	1.38	2.02	5.16	8.83	18.77	3.00	6.07	3.35	7.52
\$30,000 under \$40,000	0.86	0.86	0.92	0.97	1.38	3.81	6.24	16.20	2.04	4.71	2.25	5.57
\$40,000 under \$50,000	0.84	0.84	0.91	0.96	1.30	3.91	5.79	19.66	1.96	4.68	2.17	5.64
\$50,000 under \$75,000	0.54	0.55	0.58	0.63	0.79	2.89	3.52	7.79	1.21	3.24	1.34	4.02
\$75,000 under \$100,000	0.70	0.70	0.76	0.80	0.89	3.45	3.88	8.09	1.33	3.81	1.49	4.56
\$100,000 under \$200,000	0.63	0.60	0.69	0.73	0.72	2.76	2.33	4.55	0.95	2.72	1.03	3.28
\$200,000 under \$500,000	0.73	0.67	0.83	0.95	0.76	2.55	1.73	3.49	0.88	2.41	0.93	2.83
\$500,000 under \$1,000,000	0.98	0.86	1.13	1.36	0.99	2.53	1.64	2.91	1.06	2.74	1.10	3.17
\$1,000,000 or more	0.50	0.18	0.59	0.49	0.50	0.44	0.67	0.73	0.53	0.58	0.55	0.67
Nontaxable returns, total	0.32	0.62	0.39	0.61	0.80	1.82	3.81	5.62	1.17	2.35	1.31	2.75

Footnotes at end of table

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	State income tax refunds		Alimony received		Business or profession				Capital gain distributions		Sales of capital assets	
	Number of returns (13)	Amount (14)	Number of returns (15)	Amount (16)	Net income		Net loss		Number of returns (21)	Amount (22)	Number of returns (23)	Amount (24)
					Number of returns (17)	Amount (18)	Number of returns (19)	Amount (20)				
All returns, total.....	0.51	0.77	3.80	5.93	0.35	0.74	0.98	1.47	1.39	3.76	0.67	0.41
No adjusted gross income	6.61	8.52	28.77	29.72	4.35	5.11	2.39	3.30	14.83	14.15	4.68	2.28
\$1 under \$5,000	8.94	14.25	31.56	51.04	2.20	3.30	6.63	13.96	5.33	7.39	4.00	13.21
\$5,000 under \$10,000	7.31	11.32	16.27	18.35	1.85	2.28	5.74	10.13	6.58	11.17	4.06	6.10
\$10,000 under \$15,000	5.76	8.47	11.71	13.12	1.99	2.40	5.78	9.24	6.55	12.80	4.15	7.39
\$15,000 under \$20,000	4.70	8.87	12.32	14.22	2.46	3.14	4.78	7.59	7.08	16.47	4.07	6.40
\$20,000 under \$25,000	4.17	8.05	14.20	17.96	2.81	3.74	5.08	7.34	6.94	14.29	4.33	6.73
\$25,000 under \$30,000	3.62	5.16	13.38	17.19	2.95	4.08	5.31	8.07	7.36	14.15	4.41	7.61
\$30,000 under \$40,000	2.21	3.12	9.42	11.93	2.27	3.35	3.94	5.94	5.15	14.54	3.14	5.44
\$40,000 under \$50,000	1.98	3.13	11.53	14.95	2.43	3.88	4.07	6.56	5.05	12.80	3.04	5.37
\$50,000 under \$75,000	1.18	1.79	9.74	12.08	1.68	2.76	2.67	4.41	3.34	8.12	1.98	3.33
\$75,000 under \$100,000	1.32	2.18	17.38	23.02	2.09	3.32	3.56	5.86	4.04	9.61	2.22	3.62
\$100,000 under \$200,000	1.11	1.70	16.24	18.96	1.60	2.16	3.00	4.69	3.25	10.75	1.47	2.11
\$200,000 under \$500,000	1.53	2.60	** 17.23	** 22.82	1.75	2.27	3.64	5.38	4.27	9.70	1.25	1.82
\$500,000 under \$1,000,000	1.86	3.81	**	**	2.27	3.21	4.26	5.51	6.92	16.71	1.36	1.83
\$1,000,000 under \$1,500,000	2.00	11.87	34.53	49.35	2.71	3.98	4.51	5.49	9.88	17.72	1.52	1.97
\$1,500,000 under \$2,000,000	1.55	3.01	26.33	31.58	2.45	4.60	3.97	7.19	9.67	51.29	1.18	1.68
\$2,000,000 under \$5,000,000	0.86	1.89	17.98	37.21	1.39	2.86	2.06	3.06	7.39	59.13	0.63	0.79
\$5,000,000 under \$10,000,000	0.80	1.88	17.48	42.63	1.30	3.06	1.67	0.97	10.91	22.43	0.61	0.61
\$10,000,000 or more	--	--	--	--	0.11	0.62	--	--	--	--	--	--
Taxable returns, total.....	0.54	0.80	4.47	6.65	0.63	0.91	1.23	1.81	1.50	4.04	0.72	0.42
No adjusted gross income	35.30	27.05	--	--	29.16	11.24	29.76	5.74	62.12	78.75	15.63	2.55
\$1 under \$5,000	37.26	49.00	--	--	22.35	31.31	41.62	52.70	6.95	8.76	5.74	11.84
\$5,000 under \$10,000	23.10	46.66	44.68	46.32	6.69	8.79	15.61	21.43	9.26	16.09	6.27	8.14
\$10,000 under \$15,000	10.89	17.79	16.69	18.50	4.30	5.45	10.27	15.18	8.68	17.42	5.77	8.41
\$15,000 under \$20,000	6.72	9.28	16.75	18.85	4.00	5.30	8.16	14.48	9.04	20.17	5.31	8.46
\$20,000 under \$25,000	5.41	7.43	19.88	24.30	4.07	5.59	6.94	10.35	7.90	16.20	4.98	7.87
\$25,000 under \$30,000	4.46	5.94	16.41	21.28	4.17	6.02	6.96	10.21	8.08	15.60	4.95	8.46
\$30,000 under \$40,000	2.50	3.62	10.43	13.22	2.84	4.31	4.70	7.14	5.55	15.60	3.44	5.92
\$40,000 under \$50,000	2.14	3.16	11.76	15.21	2.79	4.54	4.51	7.30	5.26	13.30	3.22	5.70
\$50,000 under \$75,000	1.22	1.86	9.74	12.09	1.78	2.95	2.80	4.66	3.40	8.27	2.04	3.44
\$75,000 under \$100,000	1.33	2.21	17.66	23.68	2.11	3.37	3.61	5.99	4.05	9.64	2.24	3.68
\$100,000 under \$200,000	1.11	1.71	16.24	18.96	1.61	2.16	3.02	4.76	3.25	10.76	1.48	2.12
\$200,000 under \$500,000	1.54	2.62	** 17.25	** 22.83	1.75	2.28	3.65	5.45	4.28	9.73	1.25	1.82
\$500,000 under \$1,000,000	1.86	3.83	**	**	2.28	3.22	4.27	5.58	6.93	16.72	1.36	1.83
\$1,000,000 or more	0.84	2.13	16.74	17.66	1.28	1.57	2.01	1.47	6.67	27.80	0.61	0.27
Non-taxable returns, total.....	1.92	2.92	7.28	9.72	0.74	1.33	1.85	2.53	3.85	6.78	2.10	2.54

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Sales of capital assets reported on Form 1040, Schedule D												
Size of adjusted gross income	Taxable net loss		Short-term capital gain		Short-term capital loss		Short-term loss carryover		Net short-term gain from sales of capital assets		Net short-term loss from sales of capital assets	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total.....	0.75	0.80	1.14	1.37	1.00	0.98	1.43	1.16	1.12	2.23	1.29	1.97
No adjusted gross income.....	2.23	2.39	6.75	6.32	3.42	2.65	3.95	2.82	5.79	7.30	5.93	6.08
\$1 under \$5,000.....	3.66	3.86	6.76	29.63	5.34	8.83	6.87	9.64	6.38	14.90	7.54	19.29
\$5,000 under \$10,000.....	3.96	4.15	6.90	12.89	6.05	8.71	7.73	9.08	6.76	14.02	8.19	20.64
\$10,000 under \$15,000.....	4.17	4.52	7.19	15.26	6.41	9.38	8.98	10.26	7.01	14.25	8.11	17.80
\$15,000 under \$20,000.....	4.23	4.62	7.25	15.21	6.29	8.53	8.97	9.55	7.27	14.76	8.04	16.00
\$20,000 under \$25,000.....	4.64	5.12	7.35	15.50	6.72	8.57	9.78	9.61	7.14	14.48	8.38	17.46
\$25,000 under \$30,000.....	4.72	5.15	7.69	24.49	6.97	10.01	10.55	10.95	7.67	22.81	8.51	19.75
\$30,000 under \$40,000.....	3.31	3.66	5.38	12.21	4.78	6.53	7.28	7.65	5.43	12.16	5.97	9.65
\$40,000 under \$50,000.....	3.48	3.86	5.10	13.83	4.96	7.03	7.36	7.56	5.04	12.85	6.14	14.42
\$50,000 under \$75,000.....	2.23	2.50	3.39	8.37	3.14	4.15	4.97	4.59	3.34	7.94	3.86	8.53
\$75,000 under \$100,000.....	2.54	2.80	3.71	9.19	3.47	4.67	5.33	5.11	3.67	9.36	4.26	8.79
\$100,000 under \$200,000.....	1.79	1.95	2.44	5.36	2.25	2.87	3.39	3.14	2.42	5.25	2.78	6.01
\$200,000 under \$500,000.....	1.66	1.77	2.01	5.44	1.83	2.73	2.76	3.70	1.98	7.91	2.27	4.72
\$500,000 under \$1,000,000.....	2.10	2.16	2.10	4.95	1.89	2.87	2.80	3.23	2.11	5.33	2.34	5.39
\$1,000,000 under \$1,500,000.....	2.62	2.68	2.25	5.25	2.12	3.15	3.06	3.57	2.33	6.10	2.55	4.75
\$1,500,000 under \$2,000,000.....	2.17	2.24	1.75	4.83	1.69	3.78	2.55	4.63	1.82	6.03	2.02	5.57
\$2,000,000 under \$5,000,000.....	1.36	1.39	0.94	2.31	0.95	1.95	1.43	2.40	1.02	3.45	1.10	2.56
\$5,000,000 under \$10,000,000.....	1.49	1.51	0.83	1.38	0.90	0.94	1.38	1.16	0.93	2.08	0.98	1.47
\$10,000,000 or more.....	0.15	0.16	0.04	0.01	—	—	—	—	0.05	—	—	—
Taxable returns, total.....	0.89	0.87	1.22	1.40	1.14	1.19	1.72	1.43	1.21	2.39	1.41	2.15
No adjusted gross income.....	21.76	21.07	23.09	9.95	19.25	7.90	22.22	8.12	28.18	9.51	25.55	19.53
\$1 under \$5,000.....	13.13	15.26	10.31	19.39	14.77	31.01	22.97	33.00	10.31	19.26	17.82	58.61
\$5,000 under \$10,000.....	9.09	10.29	10.84	25.57	13.56	29.01	21.13	21.54	11.10	26.70	17.43	70.96
\$10,000 under \$15,000.....	6.61	7.38	10.75	21.79	9.90	18.17	15.83	20.53	10.69	19.40	11.59	35.44
\$15,000 under \$20,000.....	5.78	6.45	9.53	22.39	8.79	13.48	13.03	14.94	9.64	19.88	11.43	25.27
\$20,000 under \$25,000.....	5.70	6.27	8.61	19.29	8.67	12.20	13.78	13.49	8.48	19.34	10.45	22.68
\$25,000 under \$30,000.....	5.54	6.14	8.78	28.41	8.51	13.99	13.53	14.96	8.85	27.36	10.19	29.08
\$30,000 under \$40,000.....	3.72	4.15	5.98	13.26	5.52	8.25	8.56	9.78	6.02	12.86	6.86	10.62
\$40,000 under \$50,000.....	3.69	4.09	5.37	15.11	5.35	7.96	7.97	8.64	5.29	14.06	6.56	16.20
\$50,000 under \$75,000.....	2.32	2.60	3.50	8.64	3.28	4.65	5.27	5.20	3.46	8.46	4.01	9.15
\$75,000 under \$100,000.....	2.57	2.84	3.76	9.32	3.51	4.91	5.42	5.38	3.72	9.59	4.29	9.02
\$100,000 under \$200,000.....	1.80	1.96	2.45	5.42	2.27	2.94	3.42	3.22	2.42	5.32	2.79	6.12
\$200,000 under \$500,000.....	1.67	1.77	2.02	5.47	1.83	2.80	2.77	3.79	1.98	7.97	2.27	4.80
\$500,000 under \$1,000,000.....	2.10	2.17	2.11	4.98	1.89	2.94	2.81	3.27	2.11	5.36	2.35	5.58
\$1,000,000 or more.....	1.33	1.36	0.91	0.80	0.92	1.07	1.39	1.40	0.99	1.65	1.07	1.20
Nontaxable returns, total.....	1.47	1.51	3.33	6.13	2.19	2.09	2.67	2.25	3.11	5.67	3.25	4.94

Footnotes at end of table

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Sales of capital assets reported on Form 1040, Schedule D--continued												
Size of adjusted gross income	Short-term gain from other forms (2119, 4797, etc.)		Short-term loss from other forms (4684, 6781, and 8824)		Net short-term partnership/ S-corporation gain		Net short-term partnership/ S-corporation loss		Long-term capital gain		Long-term capital loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	
All returns, total.....	5.35	3.04	5.05	4.46	2.53	1.58	3.60	3.52	0.68	0.42	0.81	0.75
No adjusted gross income.....	20.54	12.32	20.75	12.60	13.83	7.91	16.16	11.62	4.52	2.18	2.43	2.13
\$1 under \$5,000	69.24	41.56	45.26	62.45	28.67	88.35	27.44	58.90	4.03	12.46	3.89	5.59
\$5,000 under \$10,000	58.22	66.75	71.59	60.84	21.59	38.35	31.67	71.08	4.17	6.55	4.17	4.87
\$10,000 under \$15,000	49.43	67.22	48.35	59.15	26.99	41.36	33.00	16.69	4.23	7.73	4.51	5.91
\$15,000 under \$20,000	38.84	44.48	41.19	44.43	23.64	38.61	29.51	63.04	4.20	6.68	4.52	5.63
\$20,000 under \$25,000	48.75	67.20	45.07	76.82	29.96	51.27	35.07	78.66	4.54	7.39	4.94	6.10
\$25,000 under \$30,000	55.28	51.80	47.29	52.48	24.73	48.64	29.26	60.46	4.56	7.72	5.15	6.54
\$30,000 under \$40,000	27.20	51.00	39.39	48.89	15.36	32.79	17.98	48.58	3.25	5.70	3.59	4.62
\$40,000 under \$50,000	36.60	67.56	32.95	40.68	16.65	38.57	23.22	38.80	3.16	5.59	3.76	4.32
\$50,000 under \$75,000	21.87	30.96	24.62	31.37	10.83	31.54	14.34	24.65	2.05	3.44	2.41	3.00
\$75,000 under \$100,000	22.58	56.46	23.91	32.62	10.81	22.50	15.43	46.99	2.30	3.71	2.76	3.42
\$100,000 under \$200,000	14.06	30.44	13.73	24.14	5.91	11.57	8.08	21.11	1.50	2.14	1.93	2.22
\$200,000 under \$500,000	9.40	20.68	8.25	19.43	3.96	11.65	5.46	15.44	1.24	1.83	1.80	2.34
\$500,000 under \$1,000,000	6.92	18.64	6.01	19.92	3.11	7.76	4.63	13.06	1.34	1.84	2.27	2.82
\$1,000,000 under \$1,500,000	5.66	13.29	5.39	16.77	2.84	7.00	4.51	8.97	1.50	1.98	2.81	3.80
\$1,500,000 under \$2,000,000	4.59	15.20	4.10	8.74	2.23	6.38	3.55	6.13	1.17	1.69	2.34	3.73
\$2,000,000 under \$5,000,000	2.11	6.87	1.89	6.64	1.07	2.73	1.82	3.84	0.62	0.80	1.49	2.04
\$5,000,000 under \$10,000,000	1.62	4.00	1.40	1.26	0.88	1.62	1.49	1.39	0.61	0.63	1.61	1.48
\$10,000,000 or more	0.10	-	-	-	0.04	0.02	-	-	-	-	0.19	0.11
Taxable returns, total.....	5.55	3.09	5.35	4.84	2.63	1.58	3.78	3.71	0.73	0.42	0.97	0.95
No adjusted gross income.....	61.40	5.28	14.74	5.86	13.78	17.76	37.24	8.80	15.43	2.61	20.51	2.90
\$1 under \$5,000	-	-	** 70.98	** 93.30	45.54	57.81	57.99	87.43	5.93	12.37	13.12	22.61
\$5,000 under \$10,000	72.82	93.76	**	**	32.65	60.48	45.99	82.64	6.43	8.52	9.55	15.08
\$10,000 under \$15,000	95.66	90.43	-	-	38.45	69.76	58.94	14.07	5.90	9.11	7.20	10.69
\$15,000 under \$20,000	54.94	63.44	44.10	50.92	27.74	49.96	34.59	39.72	5.47	8.96	6.16	8.29
\$20,000 under \$25,000	67.11	62.88	59.16	53.28	35.62	59.52	43.84	94.12	5.20	8.24	5.97	7.79
\$25,000 under \$30,000	55.82	56.56	87.00	89.26	28.23	68.78	46.73	89.62	5.13	8.74	5.98	8.22
\$30,000 under \$40,000	27.64	51.15	51.45	65.48	19.35	47.00	20.23	40.82	3.57	6.39	4.00	5.69
\$40,000 under \$50,000	38.97	75.12	37.19	46.81	18.73	52.41	25.05	47.33	3.35	5.90	3.99	4.83
\$50,000 under \$75,000	22.74	33.65	28.09	36.73	11.54	34.56	14.96	26.72	2.11	3.57	2.49	3.24
\$75,000 under \$100,000	22.81	56.68	24.66	34.03	11.16	24.80	15.57	47.59	2.31	3.77	2.79	3.56
\$100,000 under \$200,000	14.10	30.54	14.03	25.36	5.98	11.87	8.17	23.61	1.51	2.16	1.94	2.30
\$200,000 under \$500,000	9.45	20.82	8.30	21.41	3.98	11.84	5.48	15.86	1.24	1.83	1.80	2.38
\$500,000 under \$1,000,000	6.95	18.74	6.03	21.20	3.12	7.83	4.64	14.52	1.34	1.85	2.27	2.96
\$1,000,000 or more	1.80	1.75	1.60	2.19	1.00	0.83	1.71	1.65	0.60	0.27	1.44	1.48
Non-taxable returns, total.....	19.85	13.27	14.93	11.47	9.01	9.33	11.28	10.64	2.13	2.42	1.58	1.51

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Sales of capital assets reported on Form 1040, Schedule D—continued														
Size of adjusted gross income	Net long-term gain from sales of capital assets		Net long-term loss from sales of capital assets		Long-term loss carryover		Long-term gain from other forms (2119, 4797, etc.)		Long-term loss from other forms (4684, 6781, and 8924)		Net long-term partnership/ S-corporation gain			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)		
All returns, total	0.81	0.67	1.08	1.53	0.91	0.82	1.34	0.84	5.88	5.21	1.79	0.67		
No adjusted gross income	4.62	3.77	4.26	4.55	2.86	2.29	5.94	3.67	23.60	11.48	9.77	2.87		
\$1 under \$5,000	4.43	15.83	5.42	11.33	4.39	6.26	13.55	32.17	45.28	63.06	19.71	62.73		
\$5,000 under \$10,000	4.77	7.47	5.91	9.51	4.69	5.25	10.07	15.33	72.17	66.40	13.78	25.63		
\$10,000 under \$15,000	4.79	7.97	6.07	10.88	5.25	6.42	9.48	16.34	68.39	68.39	17.70	40.59		
\$15,000 under \$20,000	4.90	8.24	6.13	10.96	5.35	5.99	9.74	18.53	41.67	69.36	15.70	25.40		
\$20,000 under \$25,000	5.28	8.76	6.41	10.40	5.79	6.88	9.30	16.12	46.87	81.16	15.20	23.93		
\$25,000 under \$30,000	5.46	9.44	6.54	11.13	6.03	7.17	9.19	14.85	47.56	52.71	15.34	28.48		
\$30,000 under \$40,000	3.85	8.79	4.56	7.78	4.44	5.32	6.84	10.76	36.61	48.58	10.32	16.85		
\$40,000 under \$50,000	3.76	6.58	4.65	6.29	4.55	5.07	6.77	11.59	34.17	44.43	10.79	19.22		
\$50,000 under \$75,000	2.41	4.36	2.97	5.80	2.89	3.35	4.58	7.40	25.50	31.71	6.75	15.89		
\$75,000 under \$100,000	2.71	4.70	3.46	6.26	3.22	3.66	4.65	6.75	28.04	35.36	7.33	13.82		
\$100,000 under \$200,000	1.78	2.84	2.38	4.17	2.15	2.39	2.92	3.83	14.96	18.56	4.08	7.01		
\$200,000 under \$500,000	1.47	2.58	2.22	4.26	1.81	2.51	2.23	3.01	9.53	21.79	2.73	5.20		
\$500,000 under \$1,000,000	1.58	2.69	2.64	4.20	2.09	2.88	2.12	3.01	7.26	21.67	2.24	4.09		
\$1,000,000 under \$1,500,000	1.76	2.95	3.05	5.68	2.44	3.39	2.16	3.19	6.83	19.42	2.18	3.91		
\$1,500,000 under \$2,000,000	1.35	2.50	2.59	7.39	1.98	3.50	1.76	2.89	5.31	9.65	1.71	3.25		
\$2,000,000 under \$5,000,000	0.75	1.32	1.46	5.91	1.21	1.95	0.88	1.43	2.58	9.17	0.83	1.52		
\$5,000,000 under \$10,000,000	0.70	1.04	1.36	1.91	1.23	1.39	0.77	1.02	2.09	1.48	0.72	1.02		
\$10,000,000 or more	—	—	0.11	0.18	—	—	0.03	—	—	—	0.03	—		
Taxable returns, total	0.87	0.69	1.20	1.74	1.08	1.01	1.44	0.86	6.31	5.77	1.87	0.67		
No adjusted gross income	18.38	5.62	14.21	5.62	20.55	3.49	18.92	4.69	21.28	5.62	14.35	2.84		
\$1 under \$5,000	6.94	10.17	12.70	22.96	14.11	21.77	29.99	73.84	** 70.98	** 93.30	33.42	46.32		
\$5,000 under \$10,000	7.39	10.59	11.14	28.14	11.60	16.86	40.52	35.60	**	**	19.38	39.08		
\$10,000 under \$15,000	6.75	10.97	9.19	16.93	9.10	11.58	16.66	25.01	—	—	24.74	34.15		
\$15,000 under \$20,000	6.37	10.70	8.17	14.37	7.44	8.82	15.20	27.85	44.22	74.33	19.77	36.57		
\$20,000 under \$25,000	6.11	10.21	7.69	12.76	6.91	8.87	10.79	18.47	59.16	52.67	18.60	32.03		
\$25,000 under \$30,000	6.09	10.44	7.43	13.91	7.05	8.84	10.92	17.93	87.00	89.26	18.81	45.49		
\$30,000 under \$40,000	4.24	10.28	4.99	8.90	5.05	6.73	7.70	12.88	45.76	64.33	12.08	20.48		
\$40,000 under \$50,000	3.97	6.87	4.95	6.61	4.85	5.82	7.37	13.23	36.16	53.19	11.59	20.92		
\$50,000 under \$75,000	2.48	4.56	3.06	5.76	2.99	3.61	4.83	8.01	29.38	36.59	7.02	13.96		
\$75,000 under \$100,000	2.73	4.79	3.49	6.40	3.26	3.81	4.71	6.91	26.57	37.27	7.45	14.61		
\$100,000 under \$200,000	1.78	2.86	2.39	4.24	2.16	2.48	2.93	3.87	15.33	19.42	4.12	7.21		
\$200,000 under \$500,000	1.47	2.60	2.22	4.32	1.81	2.55	2.23	3.02	9.58	23.82	2.74	5.26		
\$500,000 under \$1,000,000	1.58	2.70	2.64	4.89	2.10	2.91	2.12	3.02	7.28	23.13	2.25	4.12		
\$1,000,000 or more	0.72	0.47	1.43	2.25	1.17	1.27	0.84	0.56	2.35	2.85	0.79	0.43		
Nontaxable returns, total	2.33	3.18	2.48	3.34	1.80	1.68	3.82	4.09	16.18	12.22	6.32	5.26		

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--cont						Sale of property other than capital assets				Total taxable IRA distributions	
	Net long-term partnership/S-corporation loss		Schedule D capital gain distributions		Net gain		Net loss		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)		
All returns, total.....	3.45	4.99	0.74	1.27	2.20	2.59	2.38	3.43	0.86	1.44		
No adjusted gross income	13.95	7.33	4.02	6.68	8.00	6.38	7.14	6.82	7.10	9.32		
\$1 under \$5,000.....	23.52	71.19	4.22	6.94	17.68	33.34	19.08	37.29	6.56	16.33		
\$5,000 under \$10,000 ..	26.15	36.54	4.49	8.86	15.10	23.97	15.79	26.90	4.18	5.54		
\$10,000 under \$15,000 ..	29.70	71.79	4.68	7.77	16.57	24.04	17.81	29.60	3.48	4.73		
\$15,000 under \$20,000 ..	21.08	43.91	4.70	7.60	14.22	21.68	17.26	37.69	3.36	4.64		
\$20,000 under \$25,000 ..	27.62	59.30	5.21	12.52	14.92	20.73	15.10	26.52	3.82	5.59		
\$25,000 under \$30,000 ..	28.39	41.68	5.21	8.36	13.16	21.45	15.39	26.10	3.89	5.66		
\$30,000 under \$40,000 ..	18.59	27.66	3.65	6.37	10.18	14.11	11.34	20.30	2.97	4.46		
\$40,000 under \$50,000 ..	17.42	36.35	3.67	6.56	10.65	18.82	13.12	22.13	3.12	4.77		
\$50,000 under \$75,000 ..	11.07	26.36	2.32	4.41	6.63	10.72	8.69	17.64	2.15	3.35		
\$75,000 under \$100,000 ..	12.10	20.37	2.60	5.58	7.91	11.13	9.08	19.35	2.70	4.15		
\$100,000 under \$200,000 ..	7.31	18.63	1.65	3.39	5.18	8.87	5.52	10.42	2.31	3.68		
\$200,000 under \$500,000 ..	5.49	21.74	1.36	3.27	3.99	8.12	3.90	9.33	2.75	5.08		
\$500,000 under \$1,000,000 ..	4.87	11.28	1.47	3.53	3.72	8.03	3.43	6.44	3.48	7.35		
\$1,000,000 under \$1,500,000 ..	4.87	17.18	1.71	3.96	3.51	8.80	3.62	7.78	3.95	10.78		
\$1,500,000 under \$2,000,000 ..	4.19	11.48	1.31	4.08	2.96	8.19	2.92	7.55	3.41	9.05		
\$2,000,000 under \$5,000,000 ..	2.45	5.59	0.72	2.60	1.49	4.11	1.63	3.57	2.01	6.52		
\$5,000,000 under \$10,000,000 ..	2.12	2.88	0.72	2.52	1.20	2.91	1.40	0.76	1.83	6.55		
\$10,000,000 or more.....	--	--	0.03	--	0.07	--	--	--	--	--		
Taxable returns, total.....	3.70	6.00	0.80	1.33	2.45	2.85	2.67	3.67	0.95	1.54		
No adjusted gross income	21.53	11.71	21.86	8.76	22.41	6.24	8.91	2.48	21.99	27.55		
\$1 under \$5,000.....	41.80	54.05	7.03	10.12	99.77	27.33	70.66	74.68	34.09	37.63		
\$5,000 under \$10,000 ..	41.72	44.45	7.46	16.67	49.74	90.33	38.26	70.39	13.96	17.96		
\$10,000 under \$15,000 ..	44.56	55.28	6.87	10.66	26.66	40.48	31.13	54.19	4.97	6.85		
\$15,000 under \$20,000 ..	28.96	65.40	6.14	10.07	20.59	32.17	29.96	59.92	4.42	6.15		
\$20,000 under \$25,000 ..	30.85	78.50	5.90	15.12	19.05	29.06	19.93	34.04	4.19	6.10		
\$25,000 under \$30,000 ..	36.88	66.67	5.88	9.36	18.97	38.46	19.40	32.50	4.17	6.03		
\$30,000 under \$40,000 ..	22.44	39.16	3.96	6.99	12.33	17.71	13.66	28.24	3.13	4.73		
\$40,000 under \$50,000 ..	18.32	44.10	3.85	6.88	12.36	22.03	13.93	24.52	3.21	4.90		
\$50,000 under \$75,000 ..	11.39	28.90	2.37	4.53	7.01	11.78	9.31	19.88	2.17	3.39		
\$75,000 under \$100,000 ..	12.39	20.96	2.62	5.65	8.08	11.41	9.35	20.64	2.71	4.18		
\$100,000 under \$200,000 ..	7.35	19.42	1.66	3.42	5.21	8.99	5.58	10.45	2.32	3.69		
\$200,000 under \$500,000 ..	5.50	22.50	1.36	3.28	4.00	8.16	3.91	9.52	2.76	5.10		
\$500,000 under \$1,000,000 ..	4.88	11.61	1.47	3.54	3.73	8.06	3.44	6.57	3.49	7.40		
\$1,000,000 or more.....	2.25	3.34	0.71	1.22	1.36	1.82	1.54	1.82	1.88	4.44		
Nontaxable returns, total.....	9.48	7.79	2.16	3.77	5.16	6.00	5.27	6.08	2.15	3.50		

Footnotes at end of table

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Pensions and annuities				Rent				Royalty			
	Total		Taxable		Net income		Net loss (includes nondeductible loss)		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(71)	(72)	(73)	(74)	(75)	(73)	(77)	(78)	(79)	(80)	(81)	(82)
All returns, total.....	0.47	1.38	0.50	0.76	1.14	1.44	1.07	1.35	2.10	2.98	13.28	21.44
No adjusted gross income	480	9.97	5.09	6.86	6.18	5.79	4.15	4.46	10.52	6.22	38.86	28.05
\$1 under \$5,000	373	8.86	3.92	5.78	8.12	13.30	9.08	13.51	13.22	23.74	--	--
\$5,000 under \$10,000	251	8.24	2.56	3.19	5.96	7.80	6.88	10.21	14.69	20.87	97.67	99.76
\$10,000 under \$15,000	204	3.13	2.07	2.50	5.47	7.67	6.37	9.75	11.84	21.68	98.70	98.70
\$15,000 under \$20,000	203	3.68	2.07	2.54	5.24	7.41	5.71	7.77	10.50	17.79	--	--
\$20,000 under \$25,000	227	3.45	2.31	2.90	5.88	8.13	5.84	8.80	11.22	27.98	63.08	99.51
\$25,000 under \$30,000	236	3.85	2.41	3.09	6.28	9.20	5.85	8.49	13.12	23.81	56.60	87.16
\$30,000 under \$40,000	175	2.85	1.82	2.38	4.63	7.19	3.97	5.75	8.19	15.74	** 57.57	** 63.24
\$40,000 under \$50,000	185	12.35	1.92	2.56	4.93	7.91	4.19	6.00	9.53	18.06	**	**
\$50,000 under \$75,000	124	1.92	1.30	1.80	3.10	4.74	2.86	3.94	6.02	13.66	** 32.47	** 70.86
\$75,000 under \$100,000	161	2.96	1.69	2.38	3.69	5.48	3.43	4.55	6.79	15.13	**	**
\$100,000 under \$200,000	139	2.73	1.51	2.11	2.69	3.83	2.39	3.14	4.78	9.88	24.25	48.00
\$200,000 under \$500,000	170	3.37	1.96	3.33	2.33	3.73	2.39	3.43	3.97	9.35	22.55	66.59
\$500,000 under \$1,000,000	225	4.72	2.59	5.16	2.64	5.20	2.80	3.61	3.66	9.09	29.00	66.01
\$1,000,000 under \$1,500,000	260	5.47	2.90	7.59	2.78	3.88	3.26	4.53	3.51	8.30	18.12	27.67
\$1,500,000 under \$2,000,000	214	5.68	2.47	6.73	2.42	6.02	2.84	4.95	3.00	9.92	16.20	47.09
\$2,000,000 under \$5,000,000	124	3.15	1.42	5.34	1.37	2.60	1.63	2.79	1.45	4.97	7.91	37.64
\$5,000,000 under \$10,000,000	1.12	2.26	1.26	4.89	1.22	1.07	1.53	1.26	1.11	1.86	5.45	1.86
\$10,000,000 or more	0.07	0.22	0.09	0.66	--	--	--	--	0.06	--	--	--
Taxable returns, total.....	0.54	1.48	0.57	0.81	1.27	1.54	1.24	1.53	2.28	3.09	14.47	26.92
No adjusted gross income	29.64	22.68	30.93	21.65	29.70	15.91	29.50	10.38	14.64	2.27	--	--
\$1 under \$5,000.	21.32	42.60	22.35	26.80	67.59	60.33	99.46	98.54	49.95	65.79	--	--
\$5,000 under \$10,000	7.56	14.00	7.64	9.38	20.74	26.31	22.22	36.09	41.49	55.39	99.92	99.92
\$10,000 under \$15,000	2.90	4.27	2.93	3.41	8.62	11.15	11.84	19.34	17.81	32.43	--	--
\$15,000 under \$20,000	2.66	4.20	2.72	3.23	7.62	10.36	9.20	12.87	13.79	23.08	--	--
\$20,000 under \$25,000	2.57	3.75	2.62	3.16	6.86	9.54	8.41	12.93	13.28	30.91	72.51	94.72
\$25,000 under \$30,000	2.59	4.13	2.64	3.30	7.36	10.55	7.83	11.29	15.33	28.21	59.04	89.72
\$30,000 under \$40,000	1.86	2.95	1.91	2.47	5.25	8.01	4.70	6.96	8.91	17.57	70.57	88.23
\$40,000 under \$50,000	1.91	12.74	1.98	2.62	5.23	8.59	4.71	6.66	9.99	19.05	--	--
\$50,000 under \$75,000	1.26	1.94	1.32	1.82	3.20	4.91	3.03	4.15	6.15	13.47	** 34.16	** 72.02
\$75,000 under \$100,000	1.62	2.97	1.70	2.38	3.71	5.53	3.50	4.63	6.87	15.29	**	**
\$100,000 under \$200,000	1.40	2.73	1.52	2.11	2.69	3.85	2.40	3.16	4.81	9.92	24.27	48.03
\$200,000 under \$500,000	1.71	3.37	1.96	3.34	2.34	3.74	2.39	3.45	3.98	9.41	22.61	66.94
\$500,000 under \$1,000,000	2.26	4.73	2.59	5.18	2.65	5.21	2.80	3.62	3.67	9.11	29.09	66.33
\$1,000,000 or more	1.18	2.27	1.34	3.19	1.26	1.61	1.55	1.80	1.31	2.52	6.16	15.40
Non-taxable returns, total.....	1.25	2.86	1.29	1.91	2.67	3.78	2.26	2.86	5.50	10.59	32.00	28.30

Footnotes at end of table

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Farm rental				Total rental and royalty				Partnership and S Corporation			
	Net income		Net loss		Net income		Net loss		Net income		Net loss	
	Number of returns (83)	Amount (84)	Number of returns (85)	Amount (86)	Number of returns (87)	Amount (88)	Number of returns (89)	Amount (90)	Number of returns (91)	Amount (92)	Number of returns (93)	Amount (94)
All returns, total.....	3.72	5.79	7.47	10.61	1.00	1.29	1.15	1.44	0.96	0.57	1.50	1.10
No adjusted gross income.....	22 29	29 95	22 82	30 41	5 48	4 63	4 10	4 58	7 13	4 90	3 55	1 99
\$1 under \$5,000.....	24 01	30 02	50 30	70 92	6 84	11 46	9 12	17 20	8 88	15 11	10 09	16 78
\$5,000 under \$10,000.....	15 45	23 15	31 59	48 43	5 38	7 19	6 84	9 71	8 18	12 46	10 22	15 98
\$10,000 under \$15,000.....	14 15	17 77	34 08	46 49	4 89	6 92	6 38	9 96	7 46	10 24	10 08	15 20
\$15,000 under \$20,000.....	14 09	19 56	28 73	57 18	4 60	6 54	5 72	8 27	7 18	9 24	9 04	15 51
\$20,000 under \$25,000.....	16 33	22 05	32 27	39 98	5 21	7 88	5 86	8 00	7 35	10 61	9 30	15 26
\$25,000 under \$30,000.....	16 71	25 28	38 67	58 20	5 54	8 27	5 86	8 35	7 14	9 51	9 35	15 06
\$30,000 under \$40,000.....	13 55	21 65	23 02	29 96	4 04	6 44	3 98	5 57	4 97	6 69	6 87	10 95
\$40,000 under \$50,000.....	13 65	19 63	32 23	42 75	4 35	7 05	4 23	5 63	5 07	6 86	7 06	11 49
\$50,000 under \$75,000.....	9 84	15 24	22 77	36 66	2 75	4 42	2 90	4 08	3 09	4 27	4 72	7 83
\$75,000 under \$100,000.....	12 49	18 80	23 93	30 27	3 29	5 10	3 44	4 42	3 42	4 64	5 29	7 80
\$100,000 under \$200,000.....	8 93	15 26	20 06	25 77	2 40	3 64	2 77	3 59	2 04	2 58	3 34	4 61
\$200,000 under \$500,000.....	10 27	20 21	16 46	28 65	2 09	3 58	3 16	4 33	1 48	1 94	2 84	3 69
\$500,000 under \$1,000,000.....	12 24	28 69	11 42	16 08	2 24	4 56	3 41	4 66	1 46	1 80	2 87	3 30
\$1,000,000 under \$1,500,000.....	13 02	42 50	11 42	16 08	2 34	3 98	3 76	5 64	1 66	2 04	3 02	3 34
\$1,500,000 under \$2,000,000.....	11 50	19 58	11 42	16 08	1 98	5 23	3 35	6 11	1 32	1 79	2 49	3 27
\$2,000,000 under \$5,000,000.....	6 83	15 35	11 42	16 08	1 05	2 57	1 85	3 37	0 74	0 92	1 25	1 53
\$5,000,000 under \$10,000,000.....	5 94	5 13	11 42	16 08	0 89	1 07	1 66	1 32	0 73	0 81	1 03	0 43
\$10,000,000 or more.....	11 42	16 08	11 42	16 08	0 05	1 07	1 66	1 32	0 03	0 81	1 03	0 43
Taxable returns, total.....	4.17	6.43	8.56	12.11	1.12	1.37	1.35	1.63	1.01	0.58	1.78	1.21
No adjusted gross income.....	94 66	72 04	28 35	5 37	26 69	8 91	26 69	8 91	17 52	5 00	20 79	3 41
\$1 under \$5,000.....	35 40	40 64	40 17	44 49	17 35	21 17	22 61	36 44	21 44	24 88	29 41	61 54
\$5,000 under \$10,000.....	19 16	25 64	72 27	74 25	7 60	10 01	11 69	19 19	10 67	31 13	30 95	47 64
\$10,000 under \$15,000.....	20 43	29 05	31 31	57 39	6 63	9 10	9 04	12 37	10 03	14 50	19 81	27 29
\$15,000 under \$20,000.....	18 93	25 29	32 27	39 98	6 10	9 31	8 40	11 25	9 21	13 45	15 28	22 99
\$20,000 under \$25,000.....	18 56	27 20	38 97	58 91	6 49	9 47	7 78	10 74	9 03	12 25	13 15	24 08
\$25,000 under \$30,000.....	14 57	24 06	23 65	30 00	4 53	7 21	4 68	6 66	6 00	8 19	8 68	13 54
\$30,000 under \$40,000.....	13 98	19 94	36 01	47 63	4 58	7 55	4 76	6 52	5 59	7 72	8 04	13 89
\$40,000 under \$50,000.....	9 92	15 42	22 77	36 66	2 83	4 54	3 07	4 18	3 25	4 49	5 04	8 55
\$50,000 under \$75,000.....	12 49	18 80	23 94	30 27	3 31	5 15	3 50	4 55	3 46	4 72	5 41	8 16
\$75,000 under \$100,000.....	8 93	15 27	20 08	25 94	2 41	3 65	2 79	4 36	2 04	2 59	3 36	4 74
\$100,000 under \$200,000.....	10 29	20 25	16 49	28 71	2 09	3 59	3 16	4 36	1 48	1 94	2 85	3 81
\$200,000 under \$500,000.....	12 25	28 70	11 45	16 15	2 24	4 57	3 41	4 68	1 46	1 81	2 88	3 36
\$500,000 under \$1,000,000.....	6 18	20 29	11 45	16 15	0 97	1 42	1 71	2 16	0 71	0 45	1 19	0 60
\$1,000,000 or more.....	8 32	11 65	15 22	21 84	2 38	3 50	2 26	2 96	3 12	4 08	2 80	2 01
Non-taxable returns, total.....	8.32	11.65	15.22	21.84	2.38	3.50	2.26	2.96	3.12	4.08	2.80	2.01

Footnotes at end of table

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Estate and trust			Net income			Farm			Unemployment compensation			Social security benefits	
	Net income		Net loss		Net income		Net loss		Net income		Net loss		Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)	(106)		
All returns, total	3.39	2.58	11.03	5.05	2.71	3.64	1.50	2.15	1.01	1.38	0.62	0.69		
No adjusted gross income	19.91	17.33	31.77	10.54	11.20	13.91	4.51	4.54	12.18	17.32	5.93	6.44		
\$1 under \$5,000	22.10	26.32	99.92	99.92	15.80	29.88	12.68	28.12	6.82	8.98	4.16	4.90		
\$5,000 under \$10,000	18.76	26.22	** 99.62	** 97.41	11.36	16.07	11.25	15.44	4.06	5.25	3.55	3.95		
\$10,000 under \$15,000	24.80	32.31	**	**	12.97	19.24	10.38	14.14	3.23	4.23	3.25	3.62		
\$15,000 under \$20,000	20.74	28.38	99.92	99.92	14.01	18.64	9.73	13.88	3.35	4.40	2.98	3.29		
\$20,000 under \$25,000	20.24	25.56	** 58.65	** 66.68	14.93	21.58	9.27	13.41	3.52	4.66	2.73	2.96		
\$25,000 under \$30,000	21.62	30.99	**	**	13.66	18.68	10.36	14.89	3.76	4.89	2.61	2.86		
\$30,000 under \$40,000	16.02	25.08	57.67	57.82	9.66	14.26	6.66	9.81	3.14	4.11	1.97	2.18		
\$40,000 under \$50,000	13.68	20.65	88.62	82.08	10.32	14.48	7.67	10.75	3.48	4.56	2.19	2.49		
\$50,000 under \$75,000	10.00	16.12	34.39	54.50	7.64	11.07	5.14	7.48	2.59	3.57	1.54	1.75		
\$75,000 under \$100,000	12.01	18.99	51.78	66.87	10.01	11.63	5.97	8.28	3.81	5.07	2.13	2.37		
\$100,000 under \$200,000	7.18	10.57	29.26	48.81	8.58	10.64	5.59	6.82	4.12	5.48	1.90	2.09		
\$200,000 under \$500,000	6.05	11.22	17.28	30.47	9.93	12.76	5.76	6.98	6.58	7.94	2.18	2.37		
\$500,000 under \$1,000,000	5.47	10.12	17.60	22.82	9.63	11.85	6.09	7.55	12.34	16.06	2.58	2.75		
\$1,000,000 under \$1,500,000	5.42	11.63	13.09	18.66	10.38	18.51	6.57	8.30	16.89	20.67	2.79	2.92		
\$1,500,000 under \$2,000,000	4.62	9.88	10.32	22.22	11.10	21.85	5.95	8.29	16.41	20.63	2.37	2.58		
\$2,000,000 under \$5,000,000	2.34	4.61	4.75	7.97	5.60	10.29	3.37	3.95	9.72	12.14	1.36	1.46		
\$5,000,000 under \$10,000,000	1.84	3.47	2.50	1.94	5.14	0.89	2.55	1.40	11.98	13.97	1.21	1.31		
\$10,000,000 or more	-	-	-	-	-	-	-	-	-	-	0.09	0.12		
Taxable returns, total	3.56	2.61	11.83	5.26	3.52	4.36	1.90	2.61	1.27	1.70	0.68	0.75		
No adjusted gross income	36.39	10.81	36.62	6.24	58.45	30.89	** 47.80	** 17.55	-	-	39.86	47.94		
\$1 under \$5,000	30.45	33.19	-	-	96.57	79.22	**	**	27.84	32.59	22.37	25.28		
\$5,000 under \$10,000	28.16	35.47	-	-	28.41	34.34	59.49	69.97	10.73	15.57	10.52	11.37		
\$10,000 under \$15,000	28.76	35.02	-	-	26.42	36.86	22.24	33.20	5.05	6.76	4.61	5.24		
\$15,000 under \$20,000	24.07	31.62	99.92	99.92	21.05	28.15	15.80	24.84	4.81	6.41	3.75	4.10		
\$20,000 under \$25,000	24.64	31.46	** 70.68	** 95.74	20.54	32.96	10.94	15.88	4.73	6.31	3.01	3.24		
\$25,000 under \$30,000	23.04	33.96	**	**	19.84	29.60	12.72	16.46	4.89	6.39	2.80	3.05		
\$30,000 under \$40,000	17.80	28.17	99.92	99.92	12.11	19.09	7.65	10.97	3.68	4.86	2.06	2.28		
\$40,000 under \$50,000	14.08	21.29	-	-	11.37	16.54	8.14	11.18	3.79	4.98	2.24	2.53		
\$50,000 under \$75,000	10.21	16.31	34.42	54.51	8.09	11.78	5.32	7.80	2.67	3.68	1.55	1.77		
\$75,000 under \$100,000	12.08	19.07	51.87	69.20	10.11	11.55	5.99	8.38	3.85	5.12	2.14	2.37		
\$100,000 under \$200,000	7.21	10.64	29.36	52.13	8.60	10.70	5.60	6.87	4.14	5.51	1.91	2.09		
\$200,000 under \$500,000	6.08	11.29	17.39	31.51	9.94	12.79	5.77	7.04	6.59	7.95	2.19	2.37		
\$500,000 under \$1,000,000	5.49	10.15	17.72	23.87	9.64	11.87	6.10	7.58	12.35	16.07	2.59	2.76		
\$1,000,000 or more	2.18	1.85	3.74	2.00	4.92	6.58	2.70	2.39	9.49	11.42	1.27	1.31		
Nontaxable returns, total	10.97	14.33	27.30	10.46	5.05	7.33	3.53	4.19	1.81	2.40	1.74	1.96		

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))														
Size of adjusted gross income	Social security benefits			Foreign earned income exclusion		Other income				Net operating loss		Gambling earnings		
	Taxable													
	Number of returns	Amount	(107)	Number of returns	Amount	(108)	Net income		Net loss		Number of returns	Amount	Number of returns	Amount
							(109)	(110)	(111)	(112)					(113)	(114)	(115)	(116)	(117)	(118)
All returns, total.....	0.68	0.83		3.93	4.15		1.03	2.09	4.60	5.19	2.23	1.14	1.98	2.90
No adjusted gross income.	40 34	31 30		9 39	10 73		6 79	6 04	8 56	8 98	2 56	1 24	14 08	23 89
\$1 under \$5,000	31 00	34 70		10 65	12 49		4 90	9 37	46 16	53 46	9 28	14 77	14 64	22 51
\$5,000 under \$10,000	19 89	21 44		20 81	24 47		4 68	6 92	31 47	48 53	10 15	17 35	10 98	13 80
\$10,000 under \$15,000.	15 21	21 27		21 60	25 50		4 62	9 54	30 34	43 32	12 50	16 65	9 80	12 98
\$15,000 under \$20,000.	5 10	11 28		22 48	25 03		4 79	8 71	25 92	28 19	14 19	22 69	8 27	11 02
\$20,000 under \$25,000.	3 03	4 41		26 81	29 99		5 18	10 47	25 90	38 66	17 04	22 46	8 75	13 91
\$25,000 under \$30,000.	2 65	3 21		35 58	37 21		5 08	11 16	38 62	49 99	18 90	22 91	9 16	12 52
\$30,000 under \$40,000.	1 97	2 21		21 68	24 72		3 79	8 15	20 34	26 51	14 64	18 73	6 79	9 80
\$40,000 under \$50,000	2 19	2 39		21 47	23 43		3 96	8 59	26 77	31 17	16 13	18 86	6 90	10 73
\$50,000 under \$75,000.	1 54	1 68		14 43	14 27		2 75	7 07	14 29	20 11	13 31	16 88	4 81	8 00
\$75,000 under \$100,000	2 13	2 35		18 75	17 35		3 27	8 00	18 22	25 52	16 42	17 79	5 89	10 32
\$100,000 under \$200,000	1 90	2 09		11 01	10 67		2 63	7 06	11 04	13 94	11 14	10 90	4 70	8 03
\$200,000 under \$500,000	2 18	2 37		8 47	8 24		2 47	7 17	8 43	12 29	9 82	8 65	5 26	9 46
\$500,000 under \$1,000,000	2 58	2 75		8 33	8 64		2 61	7 52	8 26	10 85	9 72	6 84	6 53	11 58
\$1,000,000 under \$1,500,000	2 79	2 92		9 28	9 45		2 68	11 48	8 46	12 37	8 64	17 76	7 04	14 09
\$1,500,000 under \$2,000,000	2 37	2 58		9 72	12 35		2 12	7 52	8 70	12 87	8 05	6 58	6 44	12 51
\$2,000,000 under \$5,000,000	1 36	1 46		4 88	5 13		1 12	4 31	4 12	6 29	3 72	2 92	3 49	7 10
\$5,000,000 under \$10,000,000	1 21	1 31		5 41	5 80		0 94	3 10	3 87	2 25	2 39	0 55	3 32	6 53
\$10,000,000 or more	0 09	0 12		--	--		--	--	--	--	--	--	--	--
Taxable returns, total.....	0.70	0.84		5.71	5.56		1.17	2.27	5.67	5.62	5.30	1.75	2.21	3.11
No adjusted gross income	78 04	56 07		--	--		26 54	13 52	39 41	68 76	13 52	1 76	58 22	31 05
\$1 under \$5,000.	--	--		--	--		9 00	10 65	--	--	69 38	65 25	57 68	64 53
\$5,000 under \$10,000	36 12	36 94		60 09	69 42		9 47	13 66	59 07	93 23	35 45	56 37	32 16	38 54
\$10,000 under \$15,000	19 68	26 86		49 95	59 54		7 45	11 87	49 97	67 88	28 56	32 31	17 02	22 13
\$15,000 under \$20,000	5 79	13 00		32 62	36 69		6 46	11 75	39 78	51 73	27 14	31 95	11 39	14 43
\$20,000 under \$25,000	3 31	4 86		32 05	36 69		6 39	13 78	31 33	48 54	24 53	29 73	11 35	17 61
\$25,000 under \$30,000	2 84	3 42		59 04	60 76		6 18	12 46	72 43	85 59	25 41	33 80	10 79	14 83
\$30,000 under \$40,000	2 06	2 31		24 70	27 41		4 25	9 16	21 19	27 71	18 09	25 27	7 48	10 11
\$40,000 under \$50,000	2 24	2 43		26 18	29 61		4 24	9 31	27 52	39 10	20 38	23 79	7 25	10 68
\$50,000 under \$75,000	1 55	1 70		15 78	15 78		2 83	6 70	14 81	21 65	15 51	18 79	4 97	7 86
\$75,000 under \$100,000	2 14	2 36		19 80	18 54		3 29	8 10	18 57	26 27	17 00	18 60	5 94	10 27
\$100,000 under \$200,000	1 91	2 09		11 70	11 83		2 64	7 15	11 30	14 20	11 50	11 41	4 75	8 08
\$200,000 under \$500,000	2 19	2 37		9 02	8 87		2 48	7 22	8 62	12 62	10 06	8 97	5 31	9 90
\$500,000 under \$1,000,000	2 59	2 76		8 77	9 16		2 62	7 56	8 40	11 05	9 90	7 00	6 61	12 28
\$1,000,000 or more	1 27	1 31		4 78	5 11		1 06	2 73	3 76	3 50	3 73	3 18	3 59	3 69
Non-taxable returns, total.....	3.38	4.77		5.56	6.40		2.30	4.95	7.40	8.22	2.45	1.42	4.53	8.02

Footnotes at end of table

Coefficient of variation for number of returns and amount (percent))

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Statutory adjustments--continued											
	Health savings account deduction		Deduction for self-employment tax		Moving expense adjustment		Payments to a Keogh plan		Penalty on early withdrawal of savings		Alimony paid	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(131)	(132)	(133)	(134)	(135)	(136)	(137)	(138)	(139)	(140)	(141)	(142)
All returns, total.....	5.19	5.57	0.39	0.69	2.75	3.85	1.72	1.71	3.12	16.37	3.41	3.36
No adjusted gross income..	38.00	40.08	4.11	5.48	22.94	36.72	23.00	20.77	16.78	30.77	15.92	15.84
\$1 under \$5,000 ..	99.92	99.92	2.37	3.41	24.12	31.59	28.47	33.55	13.91	44.43	41.43	39.79
\$5,000 under \$10,000.	49.93	51.43	1.85	2.19	16.99	31.67	23.81	27.66	12.26	71.39	21.44	25.23
\$10,000 under \$15,000.	45.27	49.57	1.97	2.37	13.08	17.06	27.29	47.31	12.86	29.90	26.04	29.99
\$15,000 under \$20,000.	45.84	71.78	2.44	3.04	11.46	16.62	19.50	22.39	12.10	22.00	21.17	25.12
\$20,000 under \$25,000.	25.05	29.03	2.77	3.60	10.51	15.03	19.42	42.84	13.24	28.06	27.23	31.95
\$25,000 under \$30,000.	35.36	43.13	2.89	3.92	10.87	13.90	20.15	22.86	13.63	33.21	21.79	27.05
\$30,000 under \$40,000.	26.79	34.16	2.22	3.15	8.30	11.45	11.42	13.77	10.44	19.47	15.24	21.41
\$40,000 under \$50,000.	19.75	23.92	2.39	3.62	8.80	13.13	11.14	13.53	10.82	33.27	12.20	16.50
\$50,000 under \$75,000.	13.46	15.89	1.67	2.58	6.38	8.78	6.95	8.93	7.59	22.76	8.47	11.30
\$75,000 under \$100,000.	17.47	20.99	2.05	3.05	8.22	11.25	6.03	7.37	10.57	57.28	9.61	13.25
\$100,000 under \$200,000.	10.22	10.85	1.52	1.97	6.92	9.04	3.02	3.82	8.94	20.66	7.09	7.94
\$200,000 under \$500,000.	7.84	8.79	1.48	1.99	9.38	13.94	2.44	2.73	9.34	31.86	6.13	7.13
\$500,000 under \$1,000,000.	9.85	10.59	1.69	2.38	10.37	15.77	2.75	4.47	10.26	16.32	6.16	7.12
\$1,000,000 under \$1,500,000.	11.31	11.88	1.95	2.85	..	..	3.25	3.66	13.68	34.42	7.24	8.57
\$1,500,000 under \$2,000,000.	13.03	14.53	1.65	2.80	..	..	3.02	4.40	10.32	23.57	6.41	9.49
\$2,000,000 under \$5,000,000.	7.03	7.92	0.92	1.66	..	..	1.85	2.67	5.84	22.10	3.23	4.80
\$5,000,000 under \$10,000,000.	8.52	9.52	0.84	1.53	..	..	1.83	2.25	4.89	2.49	2.92	3.34
\$10,000,000 or more.	..	..	0.04	0.16	..	..	..	..	..	..	..	..
Taxable returns, total.....	5.54	5.92	0.62	0.85	3.03	4.12	1.75	1.72	3.62	19.92	3.60	3.49
No adjusted gross income.	49.91	41.65	21.16	8.16	..	..	32.14	29.32	51.74	54.72	30.83	24.70
\$1 under \$5,000 ..	..	..	17.97	22.41	.. 99.85	.. 97.96	..	..	58.71	62.01	..	..
\$5,000 under \$10,000 .....	..	..	6.45	8.32	36.97	57.26	61.86	83.19	28.16	42.99	70.65	84.92
\$10,000 under \$15,000.	..	..	4.22	5.13	16.81	23.55	75.51	97.07	21.27	48.21	39.69	43.47
\$15,000 under \$20,000.	99.92	99.92	3.94	5.04	16.62	26.27	24.37	27.05	16.46	31.92	28.83	33.85
\$20,000 under \$25,000.	31.32	36.94	4.03	5.37	12.46	18.94	26.47	32.09	14.76	28.19	31.89	35.56
\$25,000 under \$30,000.	51.00	47.62	4.06	5.72	12.28	15.73	25.93	30.82	15.42	39.66	23.45	29.23
\$30,000 under \$40,000.	33.30	42.08	2.79	4.04	9.36	12.71	12.63	15.27	11.65	23.29	16.63	19.04
\$40,000 under \$50,000.	22.51	27.45	2.72	4.16	9.38	12.82	12.22	14.81	11.58	35.63	12.66	16.31
\$50,000 under \$75,000..	14.40	17.20	1.76	2.74	6.56	9.08	7.25	9.35	7.82	23.43	8.49	11.40
\$75,000 under \$100,000.	17.75	21.37	2.07	3.09	8.31	11.38	6.05	7.41	10.63	57.46	9.61	13.26
\$100,000 under \$200,000.....	10.24	10.89	1.52	1.98	6.95	9.13	3.02	3.83	8.94	20.68	7.10	7.99
\$200,000 under \$500,000.....	7.85	8.81	1.49	1.99	9.40	13.98	2.44	2.74	9.36	32.04	6.15	7.16
\$500,000 under \$1,000,000.	9.85	10.59	1.69	2.38	.. 10.39	.. 15.80	2.76	4.47	10.28	16.35	6.17	7.14
\$1,000,000 or more.....	6.61	7.04	0.86	1.08	..	..	1.66	1.97	6.09	12.64	3.19	3.32
Non-taxable returns, total.....	14.55	16.48	0.78	1.33	6.58	10.25	8.52	13.12	6.15	26.04	10.65	12.50

Footnotes at end of table

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Statutory adjustments--continued										Basic standard deduction		Additional standard deduction	
	Self-employed health insurance deduction		Medical savings account deduction		Certain business expenses of reservist, performing artist, etc.		Other adjustments ¹				Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(143)	(144)	(145)	(146)	(147)	(148)	(149)	(150)	(151)	(152)	(153)	(154)		
All returns, total	1 09	1.22	16.14	14.81	9.35	13.06	5.33	9.65	0.15	0.21	0.81	0.85		
No adjusted gross income	6.45	7.33	--	--	98.83	92.71	58.33	44.32	--	--	--	--		
\$1 under \$5,000.	6.72	8.85	--	--	33.96	48.73	70.66	99.31	0.83	0.95	3.17	3.26		
\$5,000 under \$10,000	6.07	7.74	--	--	41.47	49.93	32.56	60.30	0.82	0.86	2.49	2.57		
\$10,000 under \$15,000	5.77	7.00	99.92	99.92	47.04	69.68	36.15	56.88	0.87	0.90	2.30	2.38		
\$15,000 under \$20,000	6.05	7.25	--	--	38.53	42.00	36.13	48.65	0.92	0.95	2.42	2.51		
\$20,000 under \$25,000.	5.76	7.12	99.66	99.66	57.70	75.68	36.11	68.53	1.02	1.06	2.96	3.10		
\$25,000 under \$30,000	5.91	7.27	70.68	70.67	37.86	51.86	28.26	53.42	1.12	1.17	3.33	3.47		
\$30,000 under \$40,000	4.47	5.56	53.03	53.90	35.86	46.84	20.08	32.65	0.84	0.98	2.74	2.88		
\$40,000 under \$50,000	4.94	6.14	58.86	61.21	29.36	36.12	22.47	52.49	1.12	1.17	3.21	3.38		
\$50,000 under \$75,000.	3.37	4.11	41.08	38.85	22.10	31.12	14.05	24.60	0.98	1.01	2.54	2.69		
\$75,000 under \$100,000.	3.91	4.66	84.06	82.43	38.54	59.69	14.80	33.83	1.81	1.84	3.78	4.01		
\$100,000 under \$200,000	2.46	2.86	32.44	29.74	18.86	23.48	10.39	21.79	2.52	2.57	4.32	4.51		
\$200,000 under \$500,000	2.12	2.42	--	--	20.38	48.69	10.00	21.62	3.81	3.90	6.26	6.45		
\$500,000 under \$1,000,000	2.22	2.57	--	--	57.12	74.53	12.94	23.80	3.92	3.99	7.68	7.98		
\$1,000,000 under \$1,500,000.	2.52	2.82	--	--	54.11	77.59	12.63	32.93	4.27	4.33	8.51	8.93		
\$1,500,000 under \$2,000,000.	2.16	2.54	--	--	--	--	10.52	33.74	3.51	3.59	6.83	7.09		
\$2,000,000 under \$5,000,000	1.25	1.51	--	--	93.76	93.76	6.24	27.16	2.46	2.52	4.95	5.29		
\$5,000,000 under \$10,000,000	1.19	1.34	--	--	--	--	5.23	4.56	3.11	3.18	6.50	6.82		
\$10,000,000 or more	0.08	0.05	--	--	--	--	--	--	--	--	--	--		
Taxable returns, total	1.24	1.35	17.42	15.51	10.78	15.07	5.65	10.44	0.32	0.35	1.00	1.04		
No adjusted gross income	30.21	31.65	--	--	--	--	43.91	7.88	--	--	--	--		
\$1 under \$5,000.	99.92	99.92	--	--	--	--	--	--	3.26	4.09	41.90	42.00		
\$5,000 under \$10,000	19.72	23.14	--	--	--	--	72.14	93.25	1.55	1.57	8.48	8.50		
\$10,000 under \$15,000	10.57	13.70	--	--	70.67	95.79	51.02	90.78	1.26	1.26	3.08	3.12		
\$15,000 under \$20,000	8.44	10.07	--	--	58.69	57.97	58.60	74.79	1.27	1.32	3.08	3.17		
\$20,000 under \$25,000	8.05	9.71	--	--	70.67	87.52	51.17	84.47	1.32	1.38	3.08	3.21		
\$25,000 under \$30,000	7.61	9.63	--	--	40.81	52.51	36.04	67.01	1.38	1.44	3.44	3.58		
\$30,000 under \$40,000	5.30	6.69	61.47	61.35	38.40	49.79	22.89	39.33	1.04	1.09	2.76	2.90		
\$40,000 under \$50,000	5.54	6.80	72.51	71.27	32.10	38.91	23.31	54.10	1.18	1.24	3.22	3.39		
\$50,000 under \$75,000.	3.60	4.43	44.78	41.60	23.21	33.41	14.33	25.11	0.99	1.02	2.54	2.69		
\$75,000 under \$100,000	3.97	4.71	84.06	82.43	38.73	65.76	14.90	34.85	1.81	1.85	3.78	4.01		
\$100,000 under \$200,000.	2.46	2.86	32.44	29.74	18.86	23.48	10.40	21.80	2.53	2.58	4.32	4.51		
\$200,000 under \$500,000	2.12	2.43	--	--	41.62	48.87	10.02	21.69	3.84	3.92	6.27	6.46		
\$500,000 under \$1,000,000.	2.22	2.58	--	--	57.12	74.53	12.97	23.83	3.94	4.01	7.69	7.98		
\$1,000,000 or more	1.16	1.28	--	--	41.15	59.35	6.26	13.83	2.22	2.27	4.51	4.74		
Non taxable returns, total	2.44	3.02	38.82	38.97	18.79	26.13	15.93	23.82	0.38	0.41	1.53	1.59		

Footnotes at end of table

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Total itemized deductions		Exemptions		Taxable income		Alternative minimum tax		Income tax before credits	
	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(155)	(156)	(157)	(158)	(159)	(160)	(161)	(162)	(163)	(164)
All returns, total	0.27	0.29	0.16	0.16	0.12	0.11	0.72	0.93	0.12	0.14
No adjusted gross income.....	--	--	2.30	2.31	--	--	** 17.05	** 16.82	13.67	17.59
\$1 under \$5,000.....	4.61	5.59	1.37	1.37	3.19	4.26	--	--	3.19	8.53
\$5,000 under \$10,000.....	3.51	4.57	1.07	1.07	1.42	1.88	--	--	1.42	1.94
\$10,000 under \$15,000.....	2.75	3.34	1.00	1.00	1.12	1.27	84.27	74.37	1.12	1.29
\$15,000 under \$20,000.....	2.42	3.08	1.01	1.01	1.00	1.15	94.62	48.86	1.00	1.18
\$20,000 under \$25,000.....	2.26	2.80	1.09	1.09	0.97	1.10	55.95	43.64	0.97	1.14
\$25,000 under \$30,000.....	2.09	2.59	1.16	1.16	1.00	1.11	55.49	50.04	1.00	1.15
\$30,000 under \$40,000.....	1.37	1.59	0.91	0.91	0.76	0.83	41.06	62.65	0.76	0.86
\$40,000 under \$50,000.....	1.29	1.48	0.96	0.96	0.78	0.82	17.05	32.12	0.78	0.87
\$50,000 under \$75,000.....	0.78	0.98	0.64	0.64	0.52	0.55	6.90	9.53	0.52	0.59
\$75,000 under \$100,000.....	0.86	1.01	0.83	0.83	0.69	0.71	5.77	8.77	0.69	0.75
\$100,000 under \$200,000.....	0.69	0.78	0.73	0.73	0.63	0.61	1.58	2.49	0.63	0.62
\$200,000 under \$500,000.....	0.77	1.04	0.84	1.27	0.73	0.68	0.87	1.49	0.73	0.69
\$500,000 under \$1,000,000.....	1.04	1.28	1.15	32.44	0.98	0.87	** 1.38	** 1.31	0.97	0.89
\$1,000,000 under \$1,500,000.....	1.28	1.72	1.39	32.47	1.21	1.15	--	--	1.21	1.20
\$1,500,000 under \$2,000,000.....	0.99	1.51	1.07	42.59	0.92	0.94	--	--	0.92	0.98
\$2,000,000 under \$5,000,000.....	0.53	0.82	0.60	20.57	0.51	0.44	--	--	0.51	0.47
\$5,000,000 under \$10,000,000.....	0.56	0.61	0.64	13.49	0.55	0.46	--	--	0.55	0.49
\$10,000,000 or more.....	0.02	0.02	0.01	--	0.02	0.01	--	--	0.02	0.01
Taxable returns, total	0.29	0.28	0.20	0.21	0.15	0.12	0.72	0.93	0.15	0.14
No adjusted gross income.....	--	--	14.28	14.30	--	--	** 18.18	** 16.98	13.40	17.77
\$1 under \$5,000.....	26.07	36.73	47.80	47.87	3.24	4.29	--	--	3.23	8.61
\$5,000 under \$10,000.....	17.08	19.19	2.97	2.97	1.54	1.99	--	--	1.54	2.06
\$10,000 under \$15,000.....	5.50	5.72	1.35	1.35	1.22	1.35	85.38	74.50	1.22	1.38
\$15,000 under \$20,000.....	3.67	3.84	1.29	1.29	1.20	1.30	96.17	51.38	1.20	1.33
\$20,000 under \$25,000.....	3.08	3.23	1.30	1.30	1.21	1.30	55.95	43.64	1.21	1.34
\$25,000 under \$30,000.....	2.66	2.85	1.31	1.31	1.22	1.28	55.94	50.18	1.22	1.31
\$30,000 under \$40,000.....	1.61	1.74	0.96	0.96	0.86	0.90	42.96	62.78	0.86	0.93
\$40,000 under \$50,000.....	1.43	1.56	0.99	0.99	0.84	0.87	18.59	34.00	0.84	0.91
\$50,000 under \$75,000.....	0.81	0.91	0.66	0.66	0.54	0.56	7.03	9.71	0.54	0.60
\$75,000 under \$100,000.....	0.87	0.99	0.83	0.83	0.70	0.72	5.84	8.91	0.70	0.75
\$100,000 under \$200,000.....	0.69	0.76	0.73	0.74	0.63	0.61	1.58	2.49	0.63	0.62
\$200,000 under \$500,000.....	0.77	1.05	0.85	1.27	0.73	0.68	0.87	1.49	0.73	0.69
\$500,000 under \$1,000,000.....	1.04	1.29	1.15	32.61	0.98	0.88	** 1.38	** 1.31	0.98	0.90
\$1,000,000 or more.....	0.53	0.34	0.59	17.43	0.50	0.19	--	--	0.50	0.21
Non-taxable returns, total	1.06	1.43	0.45	0.45	0.75	0.99	19.34	23.83	0.75	1.06

** Data combined to prevent disclosure of specific taxpayer information.

Table 2.1--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Salaries and wages		Taxable interest		Tax-exempt interest		Ordinary dividends		Qualified dividends	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total	47,755,427	5,185,665,871	41,120,152	3,385,546,326	32,420,150	115,361,952	3,148,071	49,225,213	18,259,333	136,273,070
Under \$5,000	339,901	871,407	106,615	1,300,438	221,896	243,877	13,259	59,176	15,406,443	100,342,081
\$5,000 under \$10,000	611,056	4,758,774	248,998	2,635,560	373,405	638,481	29,016	172,260	106,012	94,423
\$10,000 under \$15,000	1,049,971	13,271,744	476,407	5,866,894	641,152	1,187,137	29,016	230,377	173,056	206,433
\$15,000 under \$20,000	2,416,024	24,116,204	828,825	13,586,116	1,375,084	2,416,204	13,586,116	567,932	302,837	493,360
\$20,000 under \$25,000	1,635,440	36,901,838	1,194,942	25,285,061	761,731	1,439,032	48,010	223,577	328,936	598,619
\$25,000 under \$30,000	1,926,931	53,211,830	1,497,232	38,514,275	902,565	1,429,037	55,151	405,822	322,393	466,902
\$30,000 under \$35,000	2,117,838	68,911,736	1,804,171	54,027,392	974,568	1,225,221	68,821	294,188	336,287	679,326
\$35,000 under \$40,000	2,245,341	84,153,170	1,930,721	66,295,952	1,125,985	1,358,883	66,478	686,621	336,482	553,009
\$40,000 under \$45,000	2,340,769	96,373,268	2,073,676	80,975,529	1,212,520	1,437,413	67,283	640,828	424,813	765,023
\$45,000 under \$50,000	2,290,001	108,758,427	2,035,064	88,449,053	1,294,113	1,762,952	83,554	690,726	428,062	662,796
\$50,000 under \$55,000	2,305,946	121,108,525	2,054,654	97,339,221	1,331,379	1,762,154	86,003	711,940	498,845	916,137
\$55,000 under \$60,000	2,263,439	130,153,143	2,036,531	105,977,362	1,379,061	1,733,940	78,903	622,674	508,996	876,924
\$60,000 under \$75,000	6,255,133	421,037,161	5,677,204	341,440,111	4,123,507	5,772,321	245,220	1,314,427	1,787,257	985,774
\$75,000 under \$100,000	7,978,361	691,175,456	7,384,104	567,087,074	5,951,777	7,871,376	385,890	3,052,255	1,613,102	3,540,352
\$100,000 under \$200,000	9,681,401	1,289,016,791	8,890,854	988,772,184	8,180,844	18,518,787	877,793	7,994,846	2,556,564	5,461,887
\$200,000 under \$500,000	2,577,472	742,382,641	2,252,147	457,545,662	2,437,417	16,619,341	574,345	9,211,726	1,518,152	15,590,340
\$500,000 under \$1,000,000	482,243	325,868,497	401,972	158,947,471	473,101	9,215,835	194,455	5,435,637	1,787,257	17,657,008
\$1,000,000 under \$1,500,000	116,261	140,570,843	93,792	54,905,701	114,892	4,818,400	57,683	2,821,281	394,194	9,970,786
\$1,500,000 under \$2,000,000	50,933	87,804,491	41,426	31,916,599	50,540	3,130,121	28,380	1,693,201	98,677	4,938,284
\$2,000,000 under \$5,000,000	77,611	232,102,081	62,945	72,042,800	77,214	9,237,426	48,276	4,581,142	44,595	3,320,911
\$5,000,000 under \$10,000,000	140,333	127,168,818	16,818	37,682,635	20,382	5,749,046	14,488	2,813,685	69,274	9,199,610
\$10,000,000 or more	13,443	369,786,716	11,107	64,933,234	13,414	18,908,048	10,766	5,190,882	18,676	56,872,234
Taxable returns, total	41,165,626	4,988,305,435	36,429,010	3,214,118,659	28,921,114	108,417,672	2,912,610	46,250,321	16,552,206	130,447,810
Non-taxable returns, total	6,589,801	197,360,435	4,691,142	151,327,466	3,499,036	6,944,181	235,462	2,974,892	1,707,127	5,825,260
Size of adjusted gross income	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total	20,208,019	21,044,276	248,174	6,040,701	10,087,670	194,140,903	15,797,638	575,241,300	1,161,012	3,757,706
Under \$5,000	35,522	32,160	1,975	3,455	120,100	186,393	120,589	-8,620	9,017	-116,450
\$5,000 under \$10,000	69,971	44,698	7,683	50,513	213,155	823,357	205,818	13,047	18,092	-5,477
\$10,000 under \$15,000	132,917	65,818	11,620	116,446	278,369	1,527,666	317,010	247,658	18,333	-82,891
\$15,000 under \$20,000	259,555	137,683	13,120	154,314	349,951	2,291,868	322,363	236,866	13,954	-19,123
\$20,000 under \$25,000	356,151	204,434	14,145	123,083	381,568	3,130,418	341,513	326,965	30,009	-43,338
\$25,000 under \$30,000	530,253	265,128	17,017	130,907	395,487	3,446,547	345,185	466,367	27,448	27,387
\$30,000 under \$35,000	710,610	371,903	20,054	213,891	382,123	3,475,670	338,316	627,521	22,664	-32,343
\$35,000 under \$40,000	800,460	432,933	25,309	355,463	424,933	3,132,913	424,743	972,763	23,642	14,776
\$40,000 under \$45,000	968,507	541,450	15,293	197,254	409,544	2,777,941	459,216	1,134,143	31,159	135,558
\$45,000 under \$50,000	961,665	605,972	18,664	315,418	421,774	3,702,194	507,606	1,135,378	27,020	30,245
\$50,000 under \$55,000	1,031,578	686,438	16,253	306,765	457,911	3,879,342	517,753	1,208,688	26,441	80,754
\$55,000 under \$60,000	1,064,520	727,533	14,298	363,189	452,998	4,008,604	535,086	1,602,174	35,220	76,317
\$60,000 under \$75,000	3,054,845	2,176,535	23,629	646,760	1,207,882	12,533,812	1,633,064	5,081,761	84,865	266,410
\$75,000 under \$100,000	4,129,787	3,331,156	19,573	484,681	1,578,290	21,077,604	2,523,183	10,891,612	138,487	129,593
\$100,000 under \$200,000	4,897,842	5,273,620	22,757	1,378,602	2,170,696	55,468,735	4,594,361	46,734,629	279,261	531,071
\$200,000 under \$500,000	915,371	1,922,345	4,920	678,007	686,762	44,338,668	1,922,331	79,359,607	214,755	834,869
\$500,000 under \$1,000,000	178,135	911,047	1,400	393,691	128,208	14,013,973	425,846	57,906,110	83,487	249,525
\$1,000,000 under \$1,500,000	50,835	565,861	208	20,323	30,285	4,341,840	108,062	31,002,887	27,351	242,779
\$1,500,000 under \$2,000,000	23,823	297,973	85	6,285	12,528	1,990,994	48,009	22,648,585	13,398	348,880
\$2,000,000 under \$5,000,000	37,607	859,634	124	52,403	20,065	4,145,740	74,388	71,559,938	23,208	297,493
\$5,000,000 under \$10,000,000	10,660	500,450	31	12,219	5,449	1,613,890	19,953	54,065,049	7,359	222,173
\$10,000,000 or more	7,404	1,089,507	14	36,832	3,614	2,232,714	13,242	188,028,171	5,843	805,614
Taxable returns, total	18,557,521	19,634,962	196,593	5,485,772	8,092,514	178,030,331	14,227,032	569,524,064	1,023,718	3,974,815
Non-taxable returns, total	1,650,498	1,409,314	51,581	554,929	2,005,156	16,110,572	1,570,606	5,717,236	137,294	-217,109

Footnotes at end of table

Table 2.1--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Taxable pensions and annuities		Rent and royalty net income		Rent and royalty net loss		Farm rental net income less loss		Partnership and S Corporation net income less loss		Estate and trust net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total.....	10,529,572	229,557,013	3,502,909	59,080,812	3,591,352	38,814,271	277,536	1,630,196	5,440,724	397,684,342	358,324	14,763,417
Under \$5,000	62,378	267,358	31,483	179,579	35,116	337,443	*1,811	*1,914	39,068	-582,247	*1,827	*3,413
\$5,000 under \$10,000.....	182,852	1,042,035	60,375	282,359	48,029	470,364	7,143	3,415	42,450	-450,831	*3,614	*6,405
\$10,000 under \$15,000.....	411,564	3,505,694	81,432	469,323	71,915	680,003	7,200	40,317	69,669	-343,891	2,677	10,918
\$15,000 under \$20,000.....	458,255	4,878,445	98,489	593,644	100,696	995,694	14,746	74,108	78,834	-184,711	5,790	16,540
\$20,000 under \$25,000.....	427,510	5,081,070	95,111	602,369	111,142	1,055,455	11,409	39,794	95,451	-104,478	10,767	49,208
\$25,000 under \$30,000.....	458,764	5,880,457	87,477	594,632	112,306	1,009,730	11,688	44,481	108,867	-21,265	9,504	35,615
\$30,000 under \$35,000.....	417,166	5,931,694	84,135	567,071	125,653	1,236,483	10,954	101,937	115,200	466,477	6,487	56,964
\$35,000 under \$40,000	441,853	7,142,179	111,659	781,573	139,976	1,290,054	9,096	-2,080	107,813	598,455	6,848	49,820
\$40,000 under \$45,000.....	429,252	7,326,946	95,714	735,662	137,788	1,234,728	14,166	66,050	117,251	383,518	13,080	99,537
\$45,000 under \$50,000.....	439,817	7,808,458	115,697	803,649	134,166	1,211,227	10,724	40,606	139,865	427,704	9,049	52,651
\$50,000 under \$55,000.....	477,581	8,945,456	111,091	927,394	146,755	1,252,792	12,292	37,427	154,416	1,095,113	10,472	10,164
\$55,000 under \$60,000.....	456,495	8,796,035	122,401	1,113,203	171,179	1,708,118	6,471	26,643	185,168	1,026,426	8,615	39,589
\$60,000 under \$75,000	1,333,262	28,224,793	346,963	3,061,399	428,059	3,738,560	28,713	192,747	455,450	4,081,219	26,268	140,978
\$75,000 under \$100,000.....	1,749,589	42,415,494	543,601	4,792,079	597,126	5,270,653	31,452	153,496	711,236	8,454,362	41,351	413,905
\$100,000 under \$200,000.....	2,126,420	66,282,456	861,385	11,967,128	808,452	7,720,280	69,207	392,039	1,514,422	39,411,000	106,298	2,063,891
\$200,000 under \$500,000.....	521,035	20,070,168	451,672	13,304,471	301,144	5,227,246	22,394	313,003	1,012,458	79,672,350	55,551	1,701,788
\$500,000 under \$1,000,000.....	84,214	3,103,090	113,674	6,452,689	72,377	1,896,556	4,767	71,513	296,944	60,724,795	18,752	1,612,156
\$1,000,000 under \$1,500,000.....	21,261	970,917	33,476	2,736,426	19,627	685,539	1,357	9,007	84,471	33,295,111	6,992	933,205
\$1,500,000 under \$2,000,000.....	9,278	408,228	16,105	1,547,703	8,994	353,442	564	5,547	30,918	20,798,640	3,410	578,888
\$2,000,000 under \$5,000,000.....	14,381	803,676	26,923	3,612,045	14,070	731,286	1,004	11,936	63,121	55,324,511	6,604	1,982,963
\$5,000,000 under \$10,000,000.....	3,982	304,755	7,990	1,689,017	3,934	312,085	228	2,770	17,496	29,852,367	2,247	1,061,172
\$10,000,000 or more.....	2,660	385,608	6,054	2,267,400	2,849	396,533	150	3,526	12,156	63,717,188	2,121	3,843,847
Taxable returns, total.....	9,178,357	216,173,733	3,048,329	55,591,905	2,991,127	31,734,243	239,221	1,472,479	4,867,985	399,901,187	329,961	14,596,331
Non-taxable returns, total.....	1,351,215	13,383,280	454,580	3,488,907	600,225	7,080,028	38,314	157,718	572,738	-2,216,845	28,362	167,086
Size of adjusted gross income	Farm net income less loss		Unemployment compensation		Taxable social security benefits		Foreign-earned income exclusion		Other income less loss		Total statutory adjustments	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total.....	760,408	-6,315,765	2,760,489	11,282,385	6,515,146	74,996,273	62,397	3,765,999	3,644,493	22,702,868	16,709,959	79,332,407
Under \$5,000.....	7,531	-121,296	8,917	26,798	1,625	5,359	*644	*21,784	21,686	19,767	124,573	283,114
\$5,000 under \$10,000.....	18,841	-110,341	30,994	117,420	6,214	27,926	*211	*4,907	43,463	65,583	224,343	565,819
\$10,000 under \$15,000.....	14,744	-36,057	55,206	206,071	16,453	76,885	*2,065	*42,183	58,133	155,185	315,850	729,836
\$15,000 under \$20,000.....	20,455	-99,208	103,477	438,688	143,698	218,473	*1,623	*18,243	77,152	138,452	385,726	943,077
\$20,000 under \$25,000.....	26,713	-245,063	117,898	451,593	322,423	485,945	--	--	90,922	133,490	457,985	1,194,484
\$25,000 under \$30,000.....	25,115	-93,869	146,127	542,560	405,165	1,552,780	*653	*52,250	108,632	322,000	518,939	1,280,927
\$30,000 under \$35,000.....	30,992	-257,147	145,609	659,442	358,594	1,563,830	*666	*53,506	111,144	197,240	578,757	1,495,434
\$35,000 under \$40,000.....	31,009	-267,527	159,802	629,482	361,335	2,167,519	--	--	129,708	325,656	598,272	1,442,748
\$40,000 under \$45,000.....	23,878	-130,478	158,738	652,139	341,628	2,569,226	2,768	159,567	117,570	230,657	636,252	1,538,257
\$45,000 under \$50,000.....	28,653	-229,992	138,802	604,825	314,723	2,906,546	871	67,572	146,486	367,948	744,811	1,949,612
\$50,000 under \$55,000.....	26,150	-163,690	152,839	612,039	327,912	3,514,608	3,986	213,730	129,709	327,865	748,432	1,884,772
\$55,000 under \$60,000.....	33,423	-193,021	159,903	612,377	309,912	3,554,491	2,263	91,595	149,106	337,308	751,483	1,987,510
\$60,000 under \$75,000.....	91,770	-588,841	431,868	1,601,067	908,757	11,957,831	6,449	412,858	431,681	748,174	2,085,031	5,960,072
\$75,000 under \$100,000.....	133,807	-786,128	491,409	1,995,634	1,012,384	15,431,936	6,193	378,298	631,357	1,833,320	2,987,947	9,702,947
\$100,000 under \$200,000.....	160,636	-1,191,995	391,247	1,761,660	1,186,168	19,935,445	14,626	943,172	879,645	3,848,459	4,089,702	21,641,875
\$200,000 under \$500,000.....	61,823	-862,979	60,742	330,546	368,800	6,818,294	13,355	884,391	347,672	4,740,814	1,074,294	15,670,341
\$500,000 under \$1,000,000.....	15,018	-341,301	5,423	31,102	76,750	1,503,148	2,971	206,628	92,934	2,323,436	248,241	5,720,472
\$1,000,000 under \$1,500,000.....	3,436	-114,568	766	4,385	21,295	427,774	1,262	86,447	26,938	1,228,150	64,322	1,815,425
\$1,500,000 under \$2,000,000.....	1,831	-57,919	226	1,490	9,626	202,944	460	33,423	13,505	787,961	28,844	873,250
\$2,000,000 under \$5,000,000.....	2,955	-194,304	423	2,579	14,963	315,702	970	68,977	23,593	1,630,492	45,742	1,660,939
\$5,000,000 under \$10,000,000.....	968	-92,716	51	352	4,040	88,438	221	16,726	7,576	990,573	12,392	585,260
\$10,000,000 or more.....	662	-157,325	22	138	2,682	61,173	139	9,741	5,880	1,750,339	8,587	1,006,236
Taxable returns, total.....	640,067	-5,427,481	2,261,132	9,289,812	6,030,181	72,693,609	51,449	3,173,418	3,239,437	21,604,794	14,309,732	72,460,846
Non-taxable returns, total.....	120,322	-888,284	499,358	1,992,573	484,965	2,302,665	10,948	592,582	405,056	1,098,074	2,400,227	6,871,561

Footnotes at end of table

Table 2.1--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Total itemized deductions										Medical and dental expenses limitation
	Total in taxable income		Itemized deductions limitation		Medical and dental expenses deduction		Medical and dental expenses		Number of returns		
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)			
All returns, total.....	1,121,810,935	6,322,665	45,323,612	9,917,189	67,353,932	9,917,189	103,652,769	9,916,184	36,298,838	(57)	
Under \$5,000.....	4,770,434	--	--	216,785	1,553,012	216,785	1,594,804	215,780	41,792		
\$5,000 under \$10,000.....	8,753,500	--	--	389,210	3,068,166	389,210	3,294,748	389,210	226,582		
\$10,000 under \$15,000.....	14,217,288	--	--	665,321	4,998,776	665,321	5,624,114	665,321	625,346		
\$15,000 under \$20,000.....	19,764,976	--	--	757,824	5,594,770	757,824	6,588,236	757,824	993,466		
\$20,000 under \$25,000.....	23,093,617	--	--	740,862	4,740,912	740,862	5,989,021	740,862	1,248,109		
\$25,000 under \$30,000.....	27,349,343	--	--	765,299	4,698,490	765,299	6,278,199	765,299	1,579,709		
\$30,000 under \$35,000.....	30,225,705	--	--	689,513	4,035,942	689,513	5,715,295	689,513	1,679,353		
\$35,000 under \$40,000.....	33,524,617	--	--	691,580	4,281,528	691,580	6,224,719	691,580	1,943,191		
\$40,000 under \$45,000.....	34,689,417	--	--	624,740	3,263,898	624,740	5,253,912	624,740	1,990,013		
\$45,000 under \$50,000.....	36,327,636	--	--	573,872	3,152,634	573,872	5,194,052	573,872	2,041,418		
\$50,000 under \$55,000.....	37,606,493	--	--	480,394	2,606,886	480,394	4,495,047	480,394	1,888,161		
\$55,000 under \$60,000.....	39,190,053	--	--	461,198	2,543,127	461,198	4,529,273	461,198	1,986,146		
\$60,000 under \$75,000.....	114,032,056	11,682	437	1,118,878	7,106,014	1,118,878	12,714,411	1,118,878	5,608,396		
\$75,000 under \$100,000.....	163,912,142	101,962	39,050	969,296	6,538,578	969,296	12,765,226	969,296	6,226,648		
\$100,000 under \$200,000.....	267,928,010	2,870,589	1,996,238	702,665	7,101,124	702,665	13,718,824	702,665	6,617,701		
\$200,000 under \$500,000.....	118,186,053	2,577,630	11,013,181	64,557	1,648,448	64,557	2,932,040	64,557	1,283,592		
\$500,000 under \$1,000,000.....	41,719,994	482,197	7,629,384	4,320	321,744	4,320	535,629	4,320	213,885		
\$1,000,000 under \$1,500,000.....	16,410,416	116,221	3,624,714	598	55,837	598	108,870	598	53,033		
\$1,500,000 under \$2,000,000.....	9,712,622	50,917	2,326,558	139	22,291	139	39,901	139	17,610		
\$2,000,000 under \$5,000,000.....	24,226,834	77,589	6,111,488	129	18,946	129	45,598	129	26,651		
\$5,000,000 under \$10,000,000.....	14,065,260	20,441	3,586,341	7	1,525	7	5,119	7	3,593		
\$10,000,000 or more.....	42,104,467	13,438	8,996,221	3	1,291	3	5,733	3	4,443		
Taxable returns, total.....	973,890,948	6,307,693	45,228,377	6,962,257	38,432,058	6,962,257	69,447,248	6,962,257	31,015,189		
Nontaxable returns, total.....	147,919,988	14,971	95,235	2,954,933	28,921,873	2,954,933	34,205,521	2,953,928	5,283,648		
Total itemized deductions--continued											
Size of adjusted gross income	Taxes paid deduction										
	Total		State and local taxes		Income		General sales tax		General sales tax		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
All returns, total.....	47,353,480	400,390,045	45,993,632	244,852,109	34,570,346	227,580,859	11,423,286	17,271,249	(65)		
Under \$5,000.....	321,175	973,854	280,385	212,744	82,718	130,446	197,667	82,298			
\$5,000 under \$10,000.....	579,588	1,536,771	509,226	344,528	170,192	184,069	339,035	160,458			
\$10,000 under \$15,000.....	1,010,773	2,398,637	924,416	558,784	338,722	264,007	585,694	294,777			
\$15,000 under \$20,000.....	1,334,553	3,688,761	1,235,191	976,143	580,665	574,630	654,526	401,513			
\$20,000 under \$25,000.....	1,594,864	4,431,284	1,513,827	1,468,947	836,135	958,477	677,692	510,470			
\$25,000 under \$30,000.....	1,891,661	5,494,854	1,800,944	2,110,640	1,138,203	1,509,874	662,741	600,767			
\$30,000 under \$35,000.....	2,063,639	6,579,022	1,998,025	2,629,484	1,347,521	1,975,426	650,504	654,058			
\$35,000 under \$40,000.....	2,207,605	7,570,442	2,125,056	3,272,064	1,514,768	2,593,820	610,288	678,244			
\$40,000 under \$45,000.....	2,321,782	8,770,104	2,248,317	3,943,862	1,653,447	3,242,711	594,870	701,151			
\$45,000 under \$50,000.....	2,266,200	9,370,999	2,198,207	4,388,100	1,660,098	3,708,835	538,109	679,265			
\$50,000 under \$55,000.....	2,296,673	10,215,932	2,241,962	4,925,200	1,697,790	4,181,564	544,172	743,636			
\$55,000 under \$60,000.....	2,251,904	10,676,383	2,194,725	5,210,710	1,700,754	4,555,832	493,971	654,877			
\$60,000 under \$75,000.....	6,233,896	33,786,978	6,086,217	17,475,382	4,842,129	15,400,210	1,244,087	2,075,172			
\$75,000 under \$100,000.....	7,960,062	54,251,091	7,805,848	29,547,919	6,350,002	26,817,960	1,455,846	2,729,959			
\$100,000 under \$200,000.....	9,664,526	101,231,639	9,530,803	58,971,647	7,903,487	55,004,122	1,627,315	3,967,525			
\$200,000 under \$500,000.....	2,575,009	56,742,841	2,545,167	38,133,581	2,112,916	36,605,923	432,252	1,527,658			
\$500,000 under \$1,000,000.....	481,483	24,130,090	478,552	18,446,808	405,051	18,072,191	73,501	374,617			
\$1,000,000 under \$1,500,000.....	115,945	9,980,694	115,368	8,138,315	97,640	8,022,467	17,729	115,849			
\$1,500,000 under \$2,000,000.....	50,858	6,096,130	50,699	5,141,716	43,585	5,091,255	7,114	50,462			
\$2,000,000 under \$5,000,000.....	77,449	14,937,118	77,049	13,051,292	65,753	12,936,763	11,296	114,528			
\$5,000,000 under \$10,000,000.....	20,412	8,333,759	20,296	7,601,564	17,311	7,543,832	2,985	57,732			
\$10,000,000 or more.....	13,422	19,192,660	13,353	18,302,679	11,459	18,206,444	1,894	96,235			
Taxable returns, total.....	40,931,723	374,568,006	39,977,150	236,198,718	31,367,880	221,421,956	8,609,271	14,776,762			
Nontaxable returns, total.....	6,421,758	25,822,039	6,016,482	8,653,391	3,202,466	6,158,903	2,814,015	2,494,487			

Footnotes at end of table

Table 2.1--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Total itemized deductions--continued											
	Taxes paid deduction--continued					Other taxes		Total		Interest paid deduction		
	Real estate taxes		Personal property taxes		Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Home mortgage interest	
	Number of returns	Amount	Number of returns	Amount							Total	Amount	Number of returns
All returns, total.....	41,310,587	144,702,292	21,274,626	8,869,780	2,792,514	1,965,864	39,015,536	405,718,259	38,574,509	383,733,110	38,211,235	378,467,637
Under \$5,000.....	249,779	706,583	101,297	28,526	8,672	26,001	212,648	1,813,200	210,666	1,790,991	207,520	1,768,538
\$5,000 under \$10,000.....	439,511	1,112,462	191,513	70,246	20,188	9,535	376,786	2,937,297	370,648	2,898,213	364,867	2,816,571
\$10,000 under \$15,000.....	755,128	1,702,161	358,390	119,086	28,826	18,606	605,141	4,390,780	597,155	4,327,015	587,895	4,224,416
\$15,000 under \$20,000.....	998,844	2,518,236	528,492	155,795	55,899	38,587	859,332	6,514,041	846,833	6,417,727	830,216	6,228,385
\$20,000 under \$25,000.....	1,192,736	2,733,424	604,513	204,536	78,773	24,377	1,109,955	8,127,952	1,097,342	8,036,995	1,084,418	7,895,410
\$25,000 under \$30,000.....	1,437,306	3,044,597	774,206	285,556	82,536	54,062	1,328,141	9,762,296	1,318,525	9,618,925	1,303,361	9,485,658
\$30,000 under \$35,000.....	1,626,245	3,574,017	898,369	305,904	103,410	69,616	1,586,593	11,702,125	1,574,697	11,561,255	1,555,875	11,387,432
\$35,000 under \$40,000.....	1,755,476	3,943,257	908,544	326,242	96,475	28,879	1,696,335	12,917,032	1,682,019	12,767,135	1,664,334	12,609,174
\$40,000 under \$45,000.....	1,871,209	4,383,835	1,001,433	362,076	121,121	80,330	1,829,734	13,958,016	1,819,656	13,767,124	1,802,360	13,584,996
\$45,000 under \$50,000.....	1,972,291	4,554,814	1,030,881	377,877	140,736	50,207	1,845,229	14,555,112	1,835,624	14,384,099	1,819,156	14,215,560
\$50,000 under \$55,000.....	1,976,704	4,895,431	1,053,206	345,866	116,416	49,436	1,912,328	15,432,669	1,900,787	15,210,515	1,884,308	15,046,275
\$55,000 under \$60,000.....	1,988,773	5,033,790	1,027,136	378,642	123,007	53,242	1,923,529	16,909,057	1,913,139	16,708,656	1,899,384	16,521,419
\$60,000 under \$75,000.....	5,554,577	15,009,326	2,902,441	1,087,226	395,217	215,043	5,352,177	46,328,119	5,317,313	45,793,862	5,272,428	45,153,352
\$75,000 under \$100,000.....	7,308,354	22,894,232	3,792,213	1,588,578	490,899	220,363	7,011,109	67,619,638	6,962,629	66,763,724	6,908,391	66,075,419
\$100,000 under \$200,000.....	9,082,471	39,556,351	4,672,383	2,252,870	635,250	450,772	8,540,845	103,377,791	8,447,617	101,277,654	8,379,112	99,994,679
\$200,000 under \$500,000.....	2,428,304	7,691,735	1,125,004	667,079	225,356	250,445	2,192,588	39,767,600	2,118,934	37,239,502	2,095,911	36,677,616
\$500,000 under \$1,000,000.....	458,652	5,425,022	197,911	158,309	42,533	99,951	402,820	7,121,827	371,739	9,204,287	366,442	9,000,135
\$1,000,000 under \$1,500,000.....	109,990	1,753,552	44,998	49,147	10,878	39,680	95,907	3,661,709	83,917	2,459,227	82,348	2,386,537
\$1,500,000 under \$2,000,000.....	48,445	909,111	19,474	21,825	5,293	23,478	41,739	1,918,172	34,993	1,097,702	34,345	1,068,377
\$2,000,000 under \$5,000,000.....	73,573	1,780,137	29,300	45,118	7,629	60,572	63,749	4,185,725	50,677	1,693,860	49,519	1,637,249
\$5,000,000 under \$10,000,000.....	19,411	682,561	7,964	17,752	1,978	31,883	17,204	2,093,946	12,376	443,815	12,056	427,700
\$10,000,000 or more.....	12,809	797,657	5,457	21,525	1,422	70,799	11,648	6,524,154	7,225	270,828	6,990	260,740
Taxable returns, total.....	36,056,261	128,961,598	18,621,019	7,694,023	2,507,121	1,713,667	33,912,785	348,305,825	33,512,933	328,191,384	33,205,196	323,810,582
Nontaxable returns, total.....	5,254,326	15,740,694	2,853,607	1,175,757	285,394	252,197	5,102,752	57,412,433	5,061,576	55,541,726	5,006,039	54,657,055

Size of adjusted gross income	Total itemized deductions--continued												
	Interest paid deduction--continued					Investment interest expense deduction		Total		Contributions deduction			
	Home mortgage interest--cont		Deductible points		Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Cash contributions		Other than cash contributions
	Number of returns	Amount	Number of returns	Amount							Number of returns	Amount		Number of returns	Amount
All returns, total.....	1,150,666	5,265,473	3,136,056	2,617,789	1,777,273	19,367,360	41,381,465	183,390,686	39,192,179	139,054,112	25,371,278	48,056,520	
Under \$5,000.....	6,767	22,453	11,604	12,245	11,482	9,963	207,362	152,182	187,224	256,015	71,797	54,458	
\$5,000 under \$10,000.....	10,710	81,641	15,561	6,206	11,641	32,878	393,811	529,041	367,950	484,079	166,812	97,469	
\$10,000 under \$15,000.....	15,772	102,600	27,333	22,742	16,171	41,023	736,330	1,190,086	685,367	1,024,523	333,545	171,993	
\$15,000 under \$20,000.....	32,715	189,342	58,717	51,496	22,558	44,819	1,006,877	1,787,880	952,037	1,533,742	505,535	366,056	
\$20,000 under \$25,000.....	27,223	141,585	59,527	60,376	29,293	30,580	1,248,860	2,357,236	1,157,198	1,963,097	653,008	398,501	
\$25,000 under \$30,000.....	35,966	133,267	68,120	76,488	21,769	66,883	1,489,172	3,045,697	1,394,739	2,500,680	814,477	531,053	
\$30,000 under \$35,000.....	34,391	173,823	68,328	173,823	21,361	72,543	1,661,667	3,491,660	1,546,535	2,853,695	928,832	673,074	
\$35,000 under \$40,000.....	42,523	157,961	113,318	104,117	33,522	45,780	1,809,285	3,798,745	1,689,473	3,092,111	1,058,405	705,337	
\$40,000 under \$45,000.....	45,848	182,128	119,322	139,577	25,830	51,315	1,916,400	3,983,723	1,784,612	3,318,930	1,118,363	685,035	
\$45,000 under \$50,000.....	47,907	168,539	132,778	128,408	30,034	42,605	1,923,097	4,490,155	1,794,592	3,616,473	1,130,789	813,387	
\$50,000 under \$55,000.....	44,503	162,240	136,836	139,589	45,094	82,566	1,966,682	4,747,555	1,842,345	3,834,305	1,208,435	1,041,255	
\$55,000 under \$60,000.....	50,376	187,237	133,804	187,237	29,743	66,597	1,944,235	4,670,038	1,815,458	3,858,905	1,191,172	759,450	
\$60,000 under \$75,000.....	142,094	640,510	388,028	305,225	128,076	229,031	5,501,195	14,440,002	5,164,306	12,016,361	3,407,800	2,487,731	
\$75,000 under \$100,000.....	219,057	688,305	584,178	457,374	200,137	398,540	7,275,866	21,430,451	6,889,800	17,561,373	4,713,954	3,697,184	
\$100,000 under \$200,000.....	285,841	1,282,975	887,931	671,380	494,058	1,428,758	9,104,010	37,152,373	8,774,492	31,395,793	6,116,274	6,958,433	
\$200,000 under \$500,000.....	82,163	561,886	258,760	185,027	383,358	2,343,071	2,459,255	20,972,201	16,436,353	2,414,098	1,551,668	4,799,178	
\$500,000 under \$1,000,000.....	17,450	204,152	43,256	33,444	139,528	1,984,096	466,950	9,739,585	462,511	7,346,757	262,219	2,289,563	
\$1,000,000 under \$1,500,000.....	4,233	72,691	10,397	7,618	45,014	1,194,863	112,439	4,631,552	111,671	3,303,801	59,027	2,114,937	
\$1,500,000 under \$2,000,000.....	1,638	29,325	4,143	4,848	23,069	815,622	49,462	3,068,921	49,192	2,262,809	25,034	1,645,070	
\$2,000,000 under \$5,000,000.....	2,528	56,611	5,944	6,878	40,341	2,484,988	75,830	8,755,590	75,471	5,530,405	37,319	3,743,476	
\$5,000,000 under \$10,000,000.....	588	16,114	1,359	1,472	12,692	1,648,659	20,076	5,975,159	19,976	3,416,964	9,901	2,600,437	
\$10,000,000 or more.....	374	10,088	724	1,147	1,147	6,252,160	13,203	22,960,856	13,131	11,446,942	6,914	11,443,443	
Taxable returns, total.....	1,009,493	4,380,802	2,772,510	2,049,332	1,629,050	18,065,109	36,440,913	170,300,597	34,566,575	126,454,340	22,732,644	45,404,878	
Nontaxable returns, total.....	141,173	884,671	363,547	568,457	148,223	1,302,250	4,940,552	13,090,088	4,625,604	12,599,772	2,638,634	2,615,642	

Footnotes at end of table

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Footnotes at end of table

Table 2.1--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued
 (All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Alternative minimum tax		Income tax before credits		Total tax credits		Income tax after credits		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(114)	(115)	(116)	(117)	(118)	(119)	(120)	(121)	(122)	(123)
All returns, total.....	3,825,092	16,732,134	44,010,077	784,653,614	18,904,856	31,355,139	41,165,624	753,298,475	41,165,626	753,298,882
Under \$5,000.....	*363	*6,318	12,462	8,377	*2,278	*358	11,261	8,020	11,261	8,020
\$5,000 under \$10,000.....	*1,056	*2,955	31,746	10,100	10,170	1,553	26,804	8,547	26,804	8,547
\$10,000 under \$15,000.....	*235	*1,023	324,446	75,828	76,041	13,535	277,545	62,293	277,545	62,293
\$15,000 under \$20,000.....	*679	*936	725,989	369,976	173,694	44,033	636,495	325,943	636,495	325,943
\$20,000 under \$25,000.....	*55	*2,439	1,149,872	974,687	436,433	157,924	905,049	816,763	905,049	816,763
\$25,000 under \$30,000.....	*709	*1,512	1,611,343	2,046,043	565,157	354,636	1,228,440	1,691,407	1,228,440	1,691,407
\$30,000 under \$35,000.....	832	771	1,907,588	3,380,776	699,988	533,214	1,536,394	2,847,562	1,536,394	2,847,562
\$35,000 under \$40,000.....	1,925	8,407	2,097,183	4,748,304	815,547	731,085	1,734,855	4,017,218	1,734,855	4,017,218
\$40,000 under \$45,000.....	6,746	14,816	2,267,745	6,506,569	897,653	911,234	1,928,323	5,595,335	1,928,323	5,595,335
\$45,000 under \$50,000.....	8,843	10,025	2,220,269	7,774,317	959,827	1,107,053	1,935,534	6,667,264	1,935,534	6,667,264
\$50,000 under \$55,000.....	13,973	13,839	2,268,238	9,396,318	916,816	1,319,367	2,060,638	8,076,951	2,060,638	8,076,951
\$55,000 under \$60,000.....	15,925	12,178	2,237,232	10,720,467	884,127	1,380,116	2,093,980	9,340,351	2,093,980	9,340,351
\$60,000 under \$75,000.....	84,832	93,151	6,207,648	37,516,413	2,914,486	5,020,596	5,953,719	32,495,816	5,953,719	32,495,816
\$75,000 under \$100,000.....	170,150	245,992	7,953,476	69,481,621	4,100,698	7,282,311	7,860,996	62,199,310	7,860,996	62,199,373
\$100,000 under \$200,000.....	1,414,424	2,599,513	9,659,876	173,083,937	4,091,193	4,966,972	9,642,837	168,116,966	9,642,837	168,116,966
\$200,000 under \$500,000.....	1,856,474	8,586,713	2,574,916	151,631,650	919,990	1,419,312	2,573,290	150,212,338	2,573,290	150,212,338
\$500,000 under \$1,000,000.....	184,868	2,217,581	481,703	78,945,734	258,374	910,347	481,354	78,035,387	481,355	78,035,387
\$1,000,000 under \$1,500,000.....	27,470	568,860	116,105	35,253,029	70,894	616,331	116,021	34,636,698	116,021	34,636,698
\$1,500,000 under \$2,000,000.....	11,558	342,980	50,869	22,070,169	32,400	417,551	50,829	21,652,618	50,829	21,652,618
\$2,000,000 under \$5,000,000.....	16,528	748,394	77,521	57,861,010	53,353	1,314,540	77,443	56,546,469	77,443	56,546,707
\$5,000,000 under \$10,000,000.....	4,314	386,469	20,429	33,768,426	15,037	760,557	20,404	33,007,913	20,405	33,007,913
\$10,000,000 or more.....	3,134	867,261	13,421	79,029,862	10,702	2,092,513	13,411	76,937,412	13,411	76,937,412
Taxable returns, total.....	3,813,987	16,723,117	41,165,626	780,873,506	16,060,405	27,575,031	41,165,624	753,298,475	41,165,626	753,298,882
Nontaxable returns, total.....	11,106	9,016	2,844,451	3,780,108	2,844,451	3,780,108	--	--	--	--

* Estimate should be used with caution due to the small number of sample returns on which it is based.

NOTE: Detail may not add to totals because of rounding

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit		Salaries and wages		Taxable interest		Tax-exempt interest		Ordinary dividends		Qualified dividends	
		Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)		
All returns, total.....	0.27	0.18	0.28	0.36	0.79	1.25	1.53	0.52	0.81	0.57	0.94		
Under \$5,000	4.61	5.26	14.89	5.68	10.59	22.24	20.57	7.44	11.37	8.07	12.56		
\$5,000 under \$10,000	3.51	3.60	7.86	4.46	9.25	15.70	26.38	5.91	9.79	6.46	10.90		
\$10,000 under \$15,000	2.75	2.77	5.08	3.51	7.06	12.64	24.16	4.57	7.21	5.04	8.61		
\$15,000 under \$20,000	2.42	2.43	3.60	3.23	7.17	11.36	27.50	4.37	7.67	4.81	9.22		
\$20,000 under \$25,000	2.26	2.26	2.89	3.24	7.86	12.56	17.80	4.34	8.32	4.91	9.11		
\$25,000 under \$30,000	2.09	2.09	2.55	3.02	8.38	11.94	21.67	4.37	9.24	4.84	11.43		
\$30,000 under \$35,000	2.00	2.00	2.32	2.90	8.27	10.98	17.72	4.34	9.52	4.78	10.59		
\$35,000 under \$40,000	1.95	1.95	2.24	2.72	8.15	10.94	26.08	3.95	8.64	4.35	10.13		
\$40,000 under \$45,000	1.87	1.88	2.11	2.60	8.11	10.56	39.17	3.87	8.90	4.30	9.81		
\$45,000 under \$50,000	1.90	1.90	2.14	2.53	7.43	9.93	20.87	3.66	8.59	4.01	9.93		
\$50,000 under \$55,000	1.89	1.89	2.13	2.48	7.72	9.51	17.66	3.59	9.15	3.96	10.61		
\$55,000 under \$60,000	1.91	1.91	2.03	2.44	8.48	9.78	20.65	3.52	8.19	3.92	9.74		
\$60,000 under \$75,000	1.10	1.10	1.23	1.38	4.95	5.70	11.68	2.00	5.28	2.22	6.46		
\$75,000 under \$100,000	0.86	0.86	0.96	1.06	4.17	4.54	9.04	1.56	4.60	1.73	5.54		
\$100,000 under \$200,000	0.69	0.65	0.77	0.77	2.80	2.49	4.80	1.01	2.93	1.10	3.51		
\$200,000 under \$500,000	0.77	0.70	0.97	0.80	2.58	1.77	3.53	0.92	2.48	0.97	2.89		
\$500,000 under \$1,000,000	1.04	0.92	1.42	1.05	2.61	1.71	2.97	1.12	2.83	1.16	3.27		
\$1,000,000 under \$1,500,000	1.28	1.21	1.93	1.29	3.68	1.82	3.31	1.36	3.24	1.40	3.68		
\$1,500,000 under \$2,000,000	0.99	0.99	1.14	0.99	2.28	1.41	3.04	1.04	2.97	1.07	3.48		
\$2,000,000 under \$5,000,000	0.53	0.45	0.53	0.92	1.15	0.71	1.43	0.56	1.48	0.57	1.73		
\$5,000,000 under \$10,000,000	0.56	0.46	0.63	0.90	0.73	0.66	0.57	0.57	1.07	0.59	1.26		
\$10,000,000 or more	0.02	0.01	--	--	0.03	0.02	0.07	0.02	--	0.02	--		
Taxable returns, total	0.29	0.19	0.29	0.38	0.82	1.28	1.56	0.54	0.84	0.59	0.97		
Nontaxable returns, total	1.06	1.27	1.56	1.45	3.28	5.44	7.18	2.05	3.63	2.27	4.19		
Size of adjusted gross income	State income tax refunds		Alimony received		Business or profession net income less loss		Sales of capital assets net gain less loss		Sales of property other than capital assets		Taxable IRA distributions		
Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)		
All returns, total.....	0.54	0.79	7.39	0.53	1.17	0.55	0.43	1.93	8.75	1.23	1.90		
Under \$5,000	14.26	20.77	70.42	7.18	59.95	7.29	728.56	26.15	59.68	14.96	44.11		
\$5,000 under \$10,000	10.32	15.22	31.40	5.48	19.65	5.75	398.88	18.60	637.56	9.88	12.60		
\$10,000 under \$15,000	7.71	11.35	24.66	4.86	12.42	4.78	32.31	18.75	47.74	7.16	9.46		
\$15,000 under \$20,000	5.59	11.03	23.51	4.36	10.71	4.73	31.36	20.04	178.76	6.28	8.69		
\$20,000 under \$25,000	4.89	9.62	28.06	4.27	8.96	4.64	22.31	15.33	79.31	6.72	9.55		
\$25,000 under \$30,000	4.02	5.72	26.10	4.16	8.69	4.68	20.30	15.59	125.41	6.54	9.21		
\$30,000 under \$35,000	3.50	5.13	22.59	4.27	9.17	4.65	18.90	16.65	107.84	6.61	9.49		
\$35,000 under \$40,000	3.32	4.46	19.05	4.28	9.75	4.25	15.39	16.16	182.50	6.79	10.25		
\$40,000 under \$45,000	3.01	4.60	27.46	4.15	10.83	4.10	14.25	14.90	48.27	6.48	9.71		
\$45,000 under \$50,000	3.02	4.85	25.19	4.13	9.88	3.93	13.72	15.37	121.47	6.83	10.19		
\$50,000 under \$55,000	2.90	4.21	24.71	3.96	9.66	3.87	14.10	15.82	44.60	6.53	9.81		
\$55,000 under \$60,000	2.86	4.12	26.38	4.01	9.38	3.82	12.27	13.99	67.89	6.36	9.99		
\$60,000 under \$75,000	1.65	2.39	19.71	2.38	5.66	2.19	6.77	9.00	35.72	3.85	5.85		
\$75,000 under \$100,000	1.35	2.23	25.01	1.88	4.38	1.72	5.06	7.00	89.92	3.34	5.12		
\$100,000 under \$200,000	1.12	1.72	19.04	1.38	2.50	1.07	2.48	4.09	33.08	2.57	4.00		
\$200,000 under \$500,000	1.55	2.60	29.68	1.57	2.48	0.91	1.96	2.86	18.36	2.92	5.29		
\$500,000 under \$1,000,000	1.89	3.86	38.56	2.05	3.61	1.10	1.94	2.59	27.29	3.69	7.70		
\$1,000,000 under \$1,500,000	2.04	11.95	51.12	2.41	4.59	1.33	2.08	2.61	19.13	4.15	10.35		
\$1,500,000 under \$2,000,000	1.58	2.90	33.57	2.17	5.41	1.03	1.80	2.14	51.58	3.64	9.03		
\$2,000,000 under \$5,000,000	0.87	1.90	37.31	1.15	3.50	0.55	0.83	1.09	10.46	2.08	6.64		
\$5,000,000 under \$10,000,000	0.81	1.89	42.68	1.04	3.90	0.57	0.62	0.92	7.20	1.86	6.61		
\$10,000,000 or more	--	--	--	0.07	0.90	0.02	--	0.04	--	--	--		
Taxable returns, total	0.56	0.82	8.01	0.61	1.23	0.58	0.43	2.01	7.67	1.31	1.99		
Nontaxable returns, total	2.22	3.42	14.45	1.73	4.19	2.07	5.97	6.54	56.40	3.72	6.14		

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Taxable pensions and annuities		Rent and royalty net income		Rent and royalty net loss		Farm rental net income less loss		Partnership and S Corporation net income less loss		Estate and trust net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	
All returns, total	0.77	1.10	1.19	1.40	1.25	1.47	4.80	10.06	0.90	0.72	3.77	2.84
Under \$5,000	11.27	16.68	13.67	19.97	13.02	16.90	57.93	135.52	12.47	25.55	57.76	74.30
\$5,000 under \$10,000	6.66	8.42	10.23	14.05	11.15	14.28	30.89	286.55	11.91	25.73	40.18	101.50
\$10,000 under \$15,000	4.51	5.45	8.80	12.87	9.16	12.63	30.28	38.18	9.64	36.79	47.11	52.96
\$15,000 under \$20,000	4.22	5.09	8.05	11.10	8.02	11.24	22.13	30.15	9.04	76.04	36.01	50.07
\$20,000 under \$25,000	4.38	5.44	8.24	11.13	7.60	10.01	25.76	54.66	8.43	146.45	26.25	38.85
\$25,000 under \$30,000	4.24	5.45	8.59	12.91	7.64	10.76	24.60	50.94	7.92	27.35	27.62	37.35
\$30,000 under \$35,000	4.39	5.75	8.61	15.07	7.23	9.24	24.23	37.66	7.51	42.93	29.88	48.31
\$35,000 under \$40,000	4.25	5.55	7.65	11.41	6.86	9.20	27.79	548.76	7.99	31.43	31.49	47.26
\$40,000 under \$45,000	4.23	5.63	8.18	13.46	6.98	9.20	21.43	41.78	7.65	54.45	23.57	31.71
\$45,000 under \$50,000	4.21	5.73	7.66	12.39	7.04	8.88	26.00	44.68	7.20	49.67	29.19	44.91
\$50,000 under \$55,000	4.02	5.47	7.70	12.45	6.81	9.85	25.05	64.55	6.71	21.99	26.81	182.66
\$55,000 under \$60,000	4.11	5.69	7.35	11.30	6.45	9.03	32.38	52.66	6.55	23.85	27.49	55.07
\$60,000 under \$75,000	2.38	3.29	4.40	6.92	4.23	5.47	16.10	30.59	3.95	10.41	15.98	27.53
\$75,000 under \$100,000	2.09	2.94	3.66	5.75	3.56	4.47	15.91	41.07	3.18	7.65	13.41	20.56
\$100,000 under \$200,000	1.67	2.34	2.40	3.62	2.53	3.22	9.62	20.89	3.22	3.29	7.34	11.56
\$200,000 under \$500,000	2.06	3.42	2.00	3.41	2.44	3.50	9.24	25.93	1.31	2.23	5.89	12.37
\$500,000 under \$1,000,000	2.73	5.49	2.18	4.52	2.68	3.68	10.89	40.31	1.31	2.06	5.40	11.26
\$1,000,000 under \$1,500,000	3.07	8.08	2.28	3.90	2.92	4.33	12.00	66.96	1.49	2.30	5.18	12.41
\$1,500,000 under \$2,000,000	2.62	6.19	1.94	4.33	2.61	4.62	10.82	33.68	1.18	2.04	4.35	10.96
\$2,000,000 under \$5,000,000	1.47	5.10	1.00	1.40	1.25	2.54	5.92	22.70	0.61	1.05	2.13	5.07
\$5,000,000 under \$10,000,000	1.28	4.96	0.85	1.29	1.21	4.29	5.10	15.11	0.60	0.91	1.52	3.90
\$10,000,000 or more	0.09	0.66	0.04	--	--	--	--	--	0.02	--	--	--
Taxable returns, total	0.82	1.15	1.27	1.46	1.37	1.55	5.15	10.89	0.94	0.70	3.89	2.86
Nontaxable returns, total	2.41	3.45	3.63	5.45	3.21	4.21	13.18	21.53	3.29	24.98	15.00	23.65
Size of adjusted gross income	Farm net income less loss		Unemployment compensation		Taxable social security benefits		Foreign-earned income exclusion		Other income less loss		Total statutory adjustments	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	
All returns, total	2.41	6.10	1.73	2.25	0.97	1.11	8.10	7.75	1.34	2.82	0.56	0.83
Under \$5,000	29.48	75.07	26.73	36.01	67.19	75.12	98.92	98.88	17.62	198.63	7.28	11.95
\$5,000 under \$10,000	19.51	44.38	16.13	20.26	35.16	37.04	95.45	78.08	12.71	20.17	5.48	9.31
\$10,000 under \$15,000	20.78	91.71	12.19	15.27	22.92	32.31	55.09	64.44	11.17	26.74	4.75	7.14
\$15,000 under \$20,000	18.15	53.77	8.90	11.45	7.63	16.69	71.90	72.79	9.77	23.87	4.32	6.79
\$20,000 under \$25,000	16.44	23.79	8.47	10.77	4.99	7.07	--	--	9.28	20.80	4.05	7.50
\$25,000 under \$30,000	16.38	68.56	7.80	10.00	4.47	5.35	99.92	99.92	8.42	23.93	3.82	6.14
\$30,000 under \$35,000	15.00	33.14	7.73	9.55	4.60	5.30	98.07	97.59	8.42	20.63	3.68	6.31
\$35,000 under \$40,000	14.69	34.14	7.49	9.68	4.63	5.00	--	--	7.88	16.44	3.64	5.83
\$40,000 under \$45,000	16.51	50.24	7.42	9.35	4.69	5.20	47.57	50.18	8.17	15.88	3.55	6.98
\$45,000 under \$50,000	15.51	31.11	7.87	10.08	4.93	5.33	78.39	79.70	7.42	17.86	3.30	5.43
\$50,000 under \$55,000	16.13	35.94	7.55	9.77	4.79	5.07	41.35	44.00	7.80	20.60	3.28	5.42
\$55,000 under \$60,000	14.83	40.50	7.45	10.31	4.90	5.28	62.58	66.97	7.43	18.13	3.28	5.85
\$60,000 under \$75,000	8.99	20.40	4.54	6.13	2.84	3.10	30.73	28.84	4.38	14.36	1.95	3.33
\$75,000 under \$100,000	6.93	21.09	4.28	5.64	2.73	3.01	29.81	28.15	3.66	10.63	1.58	2.86
\$100,000 under \$200,000	5.62	17.14	4.35	5.75	2.17	2.37	15.18	15.23	2.72	8.08	1.19	1.86
\$200,000 under \$500,000	5.32	13.27	6.79	8.12	2.36	2.57	11.71	11.53	2.46	8.42	1.28	1.95
\$500,000 under \$1,000,000	5.70	14.97	12.65	15.98	2.76	2.96	12.39	12.80	2.62	8.37	1.48	2.78
\$1,000,000 under \$1,500,000	6.22	20.50	17.82	22.07	2.96	3.10	12.52	13.10	2.68	13.14	1.71	2.71
\$1,500,000 under \$2,000,000	5.79	30.49	17.42	21.51	2.55	2.77	12.34	13.14	2.77	8.26	1.42	2.83
\$2,000,000 under \$5,000,000	3.04	9.21	10.02	12.59	1.42	1.53	5.95	6.25	1.11	4.53	0.76	1.57
\$5,000,000 under \$10,000,000	2.34	1.97	12.03	14.47	1.23	1.32	6.03	6.38	0.92	3.45	0.72	1.09
\$10,000,000 or more	--	--	--	--	0.09	0.13	--	--	--	--	0.03	0.03
Taxable returns, total	2.60	6.35	1.91	2.50	1.01	1.13	8.70	8.37	1.42	2.90	0.62	0.88
Nontaxable returns, total	7.24	20.18	4.11	5.24	3.93	5.36	21.55	20.71	4.22	12.14	1.69	2.85

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Total itemized deductions									
	Total in taxable income		Itemized deductions limitation		Medical and dental expenses deduction		Medical and dental expenses		Medical and dental expenses limitation	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total	(49)	0.29	0.50	0.20	0.86	1.63	0.86	1.25	0.86	0.99
Under \$5,000	5.59	—	—	—	5.80	8.96	5.80	8.83	5.81	6.59
\$5,000 under \$10,000	4.57	—	—	—	4.44	8.38	4.44	7.97	4.44	4.56
\$10,000 under \$15,000	3.34	—	—	—	3.48	6.00	3.48	5.57	3.48	3.51
\$15,000 under \$20,000	3.08	—	—	—	3.26	6.53	3.26	5.81	3.26	3.28
\$20,000 under \$25,000	2.80	—	—	—	3.34	6.14	3.34	5.27	3.34	3.34
\$25,000 under \$30,000	2.59	—	—	—	3.30	6.17	3.30	5.11	3.30	3.31
\$30,000 under \$35,000	2.28	—	—	—	3.46	6.32	3.46	5.07	3.46	3.46
\$35,000 under \$40,000	2.26	—	—	—	3.47	6.22	3.47	4.95	3.47	3.47
\$40,000 under \$45,000	2.09	—	—	—	3.60	6.09	3.60	4.70	3.60	3.61
\$45,000 under \$50,000	2.18	—	—	—	3.81	7.79	3.81	5.60	3.81	3.81
\$50,000 under \$55,000	2.17	—	—	—	4.13	7.08	4.13	5.27	4.13	4.13
\$55,000 under \$60,000	2.59	—	—	—	4.19	7.48	4.19	5.44	4.19	4.19
\$60,000 under \$75,000	1.29	26.38	—	—	2.68	4.89	2.68	3.51	2.68	2.68
\$75,000 under \$100,000	1.01	9.09	—	—	2.90	5.66	2.90	3.82	2.90	2.91
\$100,000 under \$200,000	0.78	1.05	—	—	3.09	5.75	3.09	3.91	3.09	3.00
\$200,000 under \$500,000	1.04	0.77	—	—	6.19	8.97	6.19	6.92	6.19	5.93
\$500,000 under \$1,000,000	1.28	1.04	—	—	12.70	21.40	12.70	16.20	12.70	12.01
\$1,000,000 under \$1,500,000	1.72	1.28	—	—	19.49	25.80	19.49	20.85	19.49	18.65
\$1,500,000 under \$2,000,000	1.51	0.99	—	—	21.35	34.24	21.35	26.23	21.35	21.35
\$2,000,000 under \$5,000,000	0.82	0.53	—	—	17.41	21.76	17.41	17.21	17.41	16.42
\$5,000,000 under \$10,000,000	0.61	0.56	—	—	—	—	—	—	—	—
\$10,000,000 or more	0.02	0.02	—	—	—	—	—	—	—	—
Taxable returns, total	0.28	0.50	0.20	0.20	1.04	1.68	1.04	1.29	1.04	1.12
Nontaxable returns, total	1.43	13.11	1.61	1.75	1.61	3.09	1.61	2.78	1.61	2.00

Size of adjusted gross income	Total itemized deductions--continued									
	Total		State and local taxes		Income		General sales tax			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total	(58)	0.27	0.25	0.28	0.29	0.36	0.32	0.78	1.09	1.09
Under \$5,000	4.73	6.91	5.06	15.40	9.22	24.51	6.07	6.07	8.70	8.70
\$5,000 under \$10,000	3.60	4.88	3.82	6.66	6.62	10.51	4.70	4.70	7.70	7.70
\$10,000 under \$15,000	2.80	3.70	2.93	4.83	4.85	7.85	3.69	3.69	5.87	5.87
\$15,000 under \$20,000	2.46	4.46	2.55	6.70	3.77	10.72	3.51	3.51	5.50	5.50
\$20,000 under \$25,000	2.28	2.91	2.34	4.09	3.22	5.68	3.46	3.46	5.05	5.05
\$25,000 under \$30,000	2.11	2.75	2.16	3.78	2.76	4.70	3.55	3.55	6.17	6.17
\$30,000 under \$35,000	2.01	2.39	2.06	2.52	2.55	2.94	3.56	3.56	4.99	4.99
\$35,000 under \$40,000	1.97	2.29	2.01	2.55	2.40	2.86	3.72	3.72	5.76	5.76
\$40,000 under \$45,000	1.88	2.17	1.91	2.24	2.27	2.52	3.73	3.73	4.98	4.98
\$45,000 under \$50,000	1.91	2.30	1.94	2.85	2.27	3.24	3.90	3.90	5.23	5.23
\$50,000 under \$55,000	1.89	2.14	1.91	2.37	2.23	2.65	3.87	3.87	5.26	5.26
\$55,000 under \$60,000	1.91	2.15	1.94	2.24	2.23	2.46	4.11	4.11	5.25	5.25
\$60,000 under \$75,000	1.10	1.10	1.23	1.12	1.33	1.28	2.57	2.57	3.95	3.95
\$75,000 under \$100,000	0.86	0.98	0.88	1.10	1.02	1.20	2.38	2.38	3.01	3.01
\$100,000 under \$200,000	0.69	0.76	0.69	0.88	0.80	0.94	2.00	2.00	2.57	2.57
\$200,000 under \$500,000	0.77	0.83	0.77	0.93	0.88	0.97	2.37	2.37	3.01	3.01
\$500,000 under \$1,000,000	1.04	1.23	1.04	1.38	1.17	1.41	3.01	3.01	5.20	5.20
\$1,000,000 under \$1,500,000	1.28	1.61	1.29	1.76	1.78	1.78	3.48	3.48	6.91	6.91
\$1,500,000 under \$2,000,000	0.99	1.33	0.99	1.43	1.10	1.44	3.01	3.01	7.21	7.21
\$2,000,000 under \$5,000,000	0.53	0.70	0.54	0.75	0.61	0.75	1.66	1.66	5.14	5.14
\$5,000,000 under \$10,000,000	0.56	0.61	0.56	0.63	0.62	0.62	1.50	1.50	2.60	2.60
\$10,000,000 or more	0.02	0.03	0.02	0.03	0.02	0.03	—	—	—	—
Taxable returns, total	0.29	0.26	0.30	0.29	0.37	0.32	0.90	0.90	1.17	1.17
Nontaxable returns, total	1.08	1.54	1.12	2.36	1.58	3.09	1.64	3.05	3.05	3.05

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Total itemized deductions--continued											
	Taxes paid deduction--continued				Interest paid deduction				Home mortgage interest			
	Real estate taxes		Personal property taxes		Other taxes		Total		Total		Paid to financial institutions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)
All returns, total	0.30	0.38	0.52	1.16	1.61	4.11	0.32	0.41	0.32	0.43	0.33	0.43
Under \$5,000	5.30	6.85	8.36	15.48	24.82	54.59	5.70	7.17	5.73	7.20	5.78	7.27
\$5,000 under \$10,000	4.09	5.51	6.28	16.75	18.73	35.77	4.41	5.50	4.45	5.50	4.49	5.55
\$10,000 under \$15,000	3.22	4.17	4.70	15.43	15.41	32.13	3.58	4.47	3.61	4.46	3.64	4.47
\$15,000 under \$20,000	2.81	5.47	3.95	6.95	11.71	33.20	3.03	3.73	3.05	3.74	3.08	3.73
\$20,000 under \$25,000	2.62	3.31	3.72	7.10	10.32	18.08	2.71	3.19	2.73	3.19	2.75	3.22
\$25,000 under \$30,000	2.41	3.18	3.33	9.16	10.14	37.74	2.51	3.04	2.52	3.03	2.53	3.05
\$30,000 under \$35,000	2.27	2.97	3.09	5.78	9.03	28.95	2.31	2.77	2.32	2.77	2.33	2.79
\$35,000 under \$40,000	2.20	2.73	3.10	8.91	9.42	24.81	2.24	2.84	2.25	2.84	2.27	2.86
\$40,000 under \$45,000	2.10	2.65	2.92	6.25	8.44	43.00	2.13	2.57	2.14	2.57	2.15	2.58
\$45,000 under \$50,000	2.08	2.58	2.88	10.42	7.84	15.87	2.13	2.61	2.13	2.60	2.14	2.62
\$50,000 under \$55,000	2.04	2.57	2.84	4.69	8.50	16.99	2.08	2.50	2.09	2.50	2.10	2.51
\$55,000 under \$60,000	2.04	2.63	2.88	5.50	8.36	18.08	2.08	4.23	2.09	4.27	2.10	4.30
\$60,000 under \$75,000	1.18	1.48	1.69	2.96	4.69	18.75	1.20	1.45	1.21	1.45	1.21	1.46
\$75,000 under \$100,000	0.92	1.21	1.41	2.63	4.21	9.53	0.95	1.20	0.95	1.20	0.96	1.21
\$100,000 under \$200,000	0.72	0.88	1.14	2.28	3.25	7.91	0.76	0.95	0.77	0.95	0.77	0.96
\$200,000 under \$500,000	0.80	0.99	1.35	2.45	3.19	7.64	0.88	1.11	0.90	1.13	0.91	1.13
\$500,000 under \$1,000,000	1.07	1.32	1.82	3.43	3.93	8.73	1.18	1.56	1.25	1.57	1.26	1.59
\$1,000,000 under \$1,500,000	1.32	1.68	2.19	4.07	4.53	10.50	1.43	2.18	1.57	1.96	1.58	1.99
\$1,500,000 under \$2,000,000	1.02	1.47	1.78	3.54	3.55	8.24	1.13	2.06	1.26	1.61	1.28	1.63
\$2,000,000 under \$5,000,000	0.56	0.79	1.02	2.92	2.09	5.92	0.62	1.30	0.73	0.93	0.75	0.94
\$5,000,000 under \$10,000,000	0.58	0.69	0.94	1.48	1.80	5.45	0.61	0.96	0.76	0.91	0.77	0.92
\$10,000,000 or more	0.02	0.02	--	--	--	--	0.02	--	0.03	0.01	0.04	0.01
Taxable returns, total	0.32	0.38	0.56	1.11	1.70	3.91	0.34	0.40	0.35	0.42	0.35	0.42
Nontaxable returns, total	1.19	1.69	1.72	5.00	5.24	17.88	1.21	1.81	1.22	1.85	1.23	1.87

Size of adjusted gross income	Total itemized deductions--continued											
	Interest paid deduction--continued				Contributions deduction				Other than cash contributions			
	Home mortgage interest--cont.		Deductible points		Investment interest expense deduction		Total		Cash contributions		Other than cash contributions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)
All returns, total	2.56	3.63	1.51	4.00	1.54	1.09	0.30	0.46	0.32	1.07	0.45	1.91
Under \$5,000	31.33	41.75	23.96	55.55	23.91	40.23	5.81	7.65	6.13	12.51	9.83	32.65
\$5,000 under \$10,000	26.96	32.47	20.30	37.18	20.78	48.45	4.34	6.02	4.49	7.19	6.67	10.79
\$10,000 under \$15,000	21.71	38.25	16.32	36.27	19.27	39.50	3.28	4.74	3.40	5.75	4.92	7.66
\$15,000 under \$20,000	16.25	27.22	11.54	27.31	17.27	34.72	2.83	4.19	2.91	5.20	4.04	13.48
\$20,000 under \$25,000	17.86	22.77	11.85	25.38	14.61	26.14	2.58	3.92	2.68	4.63	3.63	6.76
\$25,000 under \$30,000	15.14	20.80	10.91	25.03	16.83	43.65	2.38	3.57	2.46	4.04	3.25	8.02
\$30,000 under \$35,000	15.87	21.48	10.47	23.66	16.80	39.02	2.26	3.46	2.34	3.83	3.07	9.06
\$35,000 under \$40,000	14.15	19.59	8.67	18.93	14.43	27.10	2.18	3.33	2.25	4.10	2.87	5.60
\$40,000 under \$45,000	13.62	20.87	8.48	26.46	15.91	29.82	2.08	3.31	2.16	4.17	2.77	5.10
\$45,000 under \$50,000	13.23	21.16	8.08	16.95	15.36	33.47	2.08	3.30	2.15	3.58	2.75	5.32
\$50,000 under \$55,000	13.63	19.50	7.98	18.22	12.45	36.68	2.05	3.27	2.12	3.52	2.65	17.82
\$55,000 under \$60,000	13.10	18.84	8.10	16.67	14.55	25.46	2.06	3.24	2.14	3.54	2.67	4.38
\$60,000 under \$75,000	7.77	11.98	4.70	11.60	7.36	14.81	1.18	2.00	1.22	2.28	1.55	3.32
\$75,000 under \$100,000	6.38	9.66	3.83	10.21	6.04	13.10	0.96	1.70	0.96	1.91	1.24	1.77
\$100,000 under \$200,000	5.00	7.74	2.80	7.82	3.23	7.18	0.72	1.35	0.74	4.33	0.96	4.45
\$200,000 under \$500,000	5.41	7.92	2.98	8.88	2.23	4.61	0.80	1.72	0.81	1.73	1.12	11.29
\$500,000 under \$1,000,000	6.15	9.50	3.86	9.59	1.99	4.30	1.06	2.22	1.06	2.13	1.55	7.56
\$1,000,000 under \$1,500,000	7.51	10.71	4.63	9.74	2.05	4.75	1.30	2.69	1.31	2.88	1.91	15.79
\$1,500,000 under \$2,000,000	6.44	9.35	4.02	13.23	1.60	3.99	1.01	2.61	1.01	4.88	1.54	28.50
\$2,000,000 under \$5,000,000	3.64	5.34	2.41	6.74	0.79	2.01	0.54	1.33	0.54	1.54	0.88	4.52
\$5,000,000 under \$10,000,000	3.70	4.95	2.41	4.86	0.70	1.14	0.57	0.88	0.57	0.96	0.83	2.24
\$10,000,000 or more	--	--	--	--	0.03	--	0.02	0.02	0.02	0.04	--	--
Taxable returns, total	2.72	3.78	1.60	4.13	1.59	1.10	0.32	0.48	0.34	0.57	0.48	1.98
Nontaxable returns, total	7.48	10.84	4.63	10.88	6.09	5.42	1.24	1.93	1.28	10.42	1.74	7.69

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Total itemized deductions--continued														
Size of adjusted gross income	Contributions deduction--cont				Casualty or theft loss deduction		Total after limitation		Unreimbursed employee business expense		Tax preparation fees		Gambling loss deduction	
	Carryover from prior years		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(90)	(91)													(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)
All returns, total.....	3.56	4.17	3.10	6.20	0.76	1.33	0.65	1.33	0.52	0.79	2.57	3.36		
Under \$5,000.....	13.68	26.41	36.63	57.00	7.74	20.85	19.95	39.33	8.11	11.45	59.05	77.74		
\$5,000 under \$10,000.....	15.01	22.02	21.39	42.27	6.58	14.68	10.73	17.78	6.23	9.15	30.01	37.00		
\$10,000 under \$15,000.....	13.14	28.59	18.03	28.56	5.71	9.19	7.47	10.99	4.80	9.81	18.93	24.25		
\$15,000 under \$20,000.....	15.25	31.26	18.95	30.01	4.75	7.10	5.29	7.65	3.94	7.28	14.01	17.23		
\$20,000 under \$25,000.....	16.06	32.26	15.82	30.58	4.35	6.03	4.46	6.32	3.68	8.95	13.83	21.17		
\$25,000 under \$30,000.....	15.34	25.02	12.88	28.55	3.91	5.71	3.90	5.91	3.34	4.30	14.84	19.23		
\$30,000 under \$35,000.....	16.38	24.46	14.65	25.67	3.64	5.25	3.53	5.29	3.12	4.61	15.81	22.70		
\$35,000 under \$40,000.....	19.27	58.94	14.89	25.48	3.53	4.87	3.38	4.93	2.89	3.93	12.69	16.89		
\$40,000 under \$45,000.....	18.56	26.02	15.97	22.83	3.53	4.92	3.23	4.80	2.86	4.10	12.71	19.42		
\$45,000 under \$50,000.....	18.71	23.21	16.18	25.12	3.62	5.13	3.23	4.94	2.83	4.41	13.61	18.73		
\$50,000 under \$55,000.....	20.39	28.10	15.72	36.48	3.62	5.75	3.17	5.04	2.82	3.52	11.84	17.09		
\$55,000 under \$60,000.....	19.17	32.27	16.25	28.39	3.67	5.36	3.19	5.11	2.87	3.93	12.66	21.90		
\$60,000 under \$75,000.....	14.23	39.45	9.85	25.02	2.28	3.29	1.93	3.10	1.67	2.28	8.16	12.16		
\$75,000 under \$100,000.....	13.33	42.21	8.25	16.74	2.08	3.07	1.64	2.69	1.40	2.18	6.88	11.67		
\$100,000 under \$200,000.....	9.41	25.14	6.70	15.24	1.75	2.39	1.40	2.14	1.15	1.91	5.14	8.52		
\$200,000 under \$500,000.....	8.08	14.81	7.12	11.29	2.30	12.37	2.07	13.87	1.39	2.56	5.74	9.92		
\$500,000 under \$1,000,000.....	7.65	14.72	7.54	12.77	3.27	4.88	3.47	7.63	1.88	2.96	7.09	12.45		
\$1,000,000 under \$1,500,000.....	6.90	29.81	8.68	11.31	3.61	5.89	4.71	16.36	2.25	4.54	7.54	14.65		
\$1,500,000 under \$2,000,000.....	5.76	38.21	7.40	14.10	3.20	5.54	3.97	9.52	1.80	3.28	6.92	13.17		
\$2,000,000 under \$5,000,000.....	2.74	9.01	4.34	12.41	1.68	2.45	2.54	5.52	1.02	1.84	3.73	7.78		
\$5,000,000 under \$10,000,000.....	1.83	2.20	4.00	8.09	1.48	1.41	2.53	4.18	0.96	1.59	3.57	6.04		
\$10,000,000 or more.....	--	--	--	--	--	--	--	--	--	--	--	--		
Taxable returns, total.....	4.51	4.53	3.59	5.18	0.84	1.46	0.69	1.45	0.56	0.81	2.73	3.54		
Nontaxable returns, total.....	5.81	6.52	6.16	10.13	2.02	3.24	2.20	3.39	1.78	3.03	7.73	10.47		
Total itemized deductions--continued														
Size of adjusted gross income	Limited miscellaneous deductions--continued				Miscellaneous deductions other than gambling		Total unlimited miscellaneous deduction		Exemptions		Taxable income			
	Other limited miscellaneous deductions		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(102)	(103)											(104)	(105)	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)
All returns, total.....	0.80	1.26	0.43	1.01	3.60	7.10	2.09	3.14	0.33	0.34	0.28	0.18		
Under \$5,000.....	10.16	20.62	7.29	20.10	49.05	68.39	35.54	50.65	5.53	5.53	25.91	32.20		
\$5,000 under \$10,000.....	8.42	27.11	5.43	13.67	37.24	55.78	23.37	33.37	4.08	4.08	16.00	22.27		
\$10,000 under \$15,000.....	6.67	14.22	4.17	8.59	38.13	45.73	16.96	22.96	3.15	3.15	5.08	6.30		
\$15,000 under \$20,000.....	5.86	12.42	3.41	6.60	25.77	47.99	12.30	17.14	2.78	2.78	3.43	4.07		
\$20,000 under \$25,000.....	5.59	12.23	3.13	5.64	24.35	29.70	12.14	19.00	2.58	2.58	2.74	3.20		
\$25,000 under \$30,000.....	5.01	10.04	2.86	5.28	20.70	40.92	12.20	19.50	2.41	2.41	2.31	2.63		
\$30,000 under \$35,000.....	4.74	11.41	2.65	4.82	20.58	60.35	12.93	26.82	2.36	2.35	2.12	2.36		
\$35,000 under \$40,000.....	4.46	9.39	2.57	4.47	21.71	32.33	11.04	15.16	2.29	2.29	2.03	2.22		
\$40,000 under \$45,000.....	4.66	9.68	2.47	4.45	18.04	27.01	10.42	16.46	2.24	2.24	1.91	2.06		
\$45,000 under \$50,000.....	4.42	12.52	2.46	4.56	18.54	27.04	11.13	16.24	2.25	2.25	1.93	2.05		
\$50,000 under \$55,000.....	4.39	15.46	2.44	4.85	22.55	34.41	10.43	15.17	2.22	2.22	1.90	2.00		
\$55,000 under \$60,000.....	4.43	10.22	2.47	4.60	25.26	33.43	11.26	20.29	2.23	2.23	1.92	2.01		
\$60,000 under \$75,000.....	2.62	6.49	1.44	2.78	12.72	38.12	6.96	12.13	1.28	1.28	1.10	1.23		
\$75,000 under \$100,000.....	2.25	6.25	1.19	2.43	12.78	24.24	6.08	10.81	1.01	1.01	0.86	0.89		
\$100,000 under \$200,000.....	1.61	3.76	0.97	1.83	8.48	16.62	4.40	8.42	0.79	0.79	0.69	0.67		
\$200,000 under \$500,000.....	1.55	3.48	1.13	7.45	6.01	16.79	4.14	9.05	0.88	1.31	0.77	0.72		
\$500,000 under \$1,000,000.....	1.68	1.38	1.42	3.51	4.79	13.21	3.96	11.56	1.22	32.44	1.04	0.94		
\$1,000,000 under \$1,500,000.....	1.83	3.16	1.64	3.13	4.29	24.01	3.77	13.25	1.47	34.37	1.28	1.23		
\$1,500,000 under \$2,000,000.....	1.42	3.60	1.29	3.26	3.19	12.07	2.90	11.90	1.15	42.59	1.15	1.01		
\$2,000,000 under \$5,000,000.....	0.72	1.59	0.67	1.49	1.55	10.58	1.42	6.87	0.64	20.57	0.54	0.47		
\$5,000,000 under \$10,000,000.....	0.66	0.96	0.64	0.94	1.16	11.16	1.12	5.20	0.65	16.00	0.56	0.47		
\$10,000,000 or more.....	0.02	0.01	0.02	0.01	--	--	--	--	0.01	--	0.02	0.01		
Taxable returns, total.....	0.84	1.23	0.46	1.07	3.79	7.00	2.22	3.22	0.34	0.36	0.28	0.18		
Nontaxable returns, total.....	2.58	6.47	1.52	3.00	10.90	23.54	6.28	10.38	1.25	1.25	1.71	2.09		

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Alternative minimum tax		Income tax before credits		Total tax credits		Income tax after credits		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(114)	(115)	(116)	(117)	(118)	(119)	(120)	(121)	(122)	(123)
All returns, total	0.74	0.95	0.28	0.19	0.55	0.74	0.29	0.20	0.29	0.20
Under \$5,000	83.75	86.38	24.49	65.71	48.89	56.13	26.07	68.35	26.07	68.35
\$5,000 under \$10,000	69.87	69.23	15.82	28.12	27.59	47.04	17.08	28.03	17.08	28.03
\$10,000 under \$15,000	85.38	78.88	5.08	6.50	10.37	15.02	5.50	7.10	5.50	7.10
\$15,000 under \$20,000	95.74	51.31	3.43	4.35	6.99	10.65	3.67	4.65	3.67	4.65
\$20,000 under \$25,000	70.57	64.51	2.74	3.38	4.52	6.34	3.08	3.75	3.08	3.75
\$25,000 under \$30,000	91.85	67.85	2.31	2.75	3.94	4.99	2.66	3.10	2.66	3.10
\$30,000 under \$35,000	79.32	45.81	2.12	2.46	3.54	4.40	2.38	2.73	2.38	2.73
\$35,000 under \$40,000	49.03	68.93	2.03	2.31	3.26	3.96	2.24	2.55	2.24	2.55
\$40,000 under \$45,000	29.63	51.60	1.91	2.14	3.08	3.74	2.08	2.35	2.08	2.35
\$45,000 under \$50,000	26.03	52.84	1.93	2.15	2.98	3.62	2.08	2.37	2.08	2.37
\$50,000 under \$55,000	21.57	23.94	1.90	2.10	3.05	3.53	2.01	2.29	2.01	2.29
\$55,000 under \$60,000	19.79	27.57	1.92	2.11	3.10	3.67	1.99	2.28	1.99	2.28
\$60,000 under \$75,000	8.41	11.81	1.10	1.20	1.68	1.99	1.13	1.30	1.13	1.30
\$75,000 under \$100,000	5.96	9.04	0.86	0.93	1.35	1.66	0.87	0.99	0.87	0.99
\$100,000 under \$200,000	1.61	2.51	0.69	0.68	1.23	2.04	0.69	0.69	0.69	0.69
\$200,000 under \$500,000	0.90	1.53	0.77	0.73	1.30	6.66	0.77	0.73	0.77	0.73
\$500,000 under \$1,000,000	1.92	2.83	1.04	0.96	1.40	5.63	1.04	0.97	1.04	0.97
\$1,000,000 under \$1,500,000	2.67	3.75	1.28	1.27	1.63	6.83	1.28	1.28	1.28	1.28
\$1,500,000 under \$2,000,000	2.31	4.11	0.99	1.05	1.26	5.93	0.99	1.05	0.99	1.05
\$2,000,000 under \$5,000,000	1.35	2.21	0.53	0.50	0.65	2.94	0.54	0.50	0.54	0.50
\$5,000,000 under \$10,000,000	1.18	1.42	0.56	0.50	0.64	2.36	0.56	0.50	0.56	0.50
\$10,000,000 or more	--	--	0.02	0.01	0.02	--	0.02	0.01	0.02	0.01
Taxable returns, total	0.74	0.95	0.29	0.19	0.59	0.80	0.29	0.20	0.29	0.20
Nontaxable returns, total	22.80	27.30	1.71	2.22	1.71	2.22	--	--	--	--

Table 2.2 -- Returns with Itemized Deductions: Sources of Income, Adjustments, Deductions, Credits, and Tax Items, by Marital Status

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Item	All returns		Joint returns of married persons		Separate returns of married persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income less deficit	47,755,427	5,185,665,871	28,298,436	3,883,136,758	1,159,594	105,149,398
Salaries and wages	41,120,152	3,365,546,326	25,465,111	2,532,184,672	989,419	54,290,611
Taxable interest	32,420,150	115,361,852	21,190,111	79,514,791	564,040	3,751,599
Tax-exempt interest	3,148,071	49,225,213	1,992,699	32,023,735	57,600	1,544,605
Ordinary dividends	18,259,333	136,273,070	12,300,139	92,197,535	288,325	4,061,051
Qualified dividends	15,406,443	100,342,081	10,429,409	68,471,661	232,767	2,993,246
State income tax refunds	20,208,019	21,044,276	12,836,657	15,104,085	437,351	387,950
Alimony received	248,174	6,040,701	11,360	164,287	5,048	66,990
Business or profession						
Net income	7,006,690	219,329,919	5,201,518	170,256,985	119,694	4,104,633
Net loss	3,080,980	25,189,016	2,218,555	18,258,798	52,991	666,104
Sales of capital assets						
Net gain in AGI	9,590,589	589,366,617	6,427,400	443,650,364	163,684	20,778,041
Net loss in AGI	6,207,049	14,125,317	4,224,745	9,658,749	96,785	123,623
Sales of property other than capital assets	1,161,012	3,757,706	883,171	3,062,177	16,783	119,894
Taxable IRA distributions	4,480,498	72,646,862	2,820,400	50,795,016	54,089	1,075,146
Taxable pensions and annuities	10,529,572	229,557,013	6,486,188	156,276,278	176,171	3,357,100
Rent and royalty						
Net income	3,502,908	59,080,812	2,468,744	43,262,010	65,813	1,411,490
Net loss	3,591,352	38,814,271	2,457,122	27,482,795	43,553	550,399
Farm rental net income less loss	277,536	1,630,196	177,330	1,087,202	2,499	35,913
Partnership and S Corporation net income less loss	5,440,724	397,684,342	4,208,906	327,718,754	91,387	11,241,969
Estate and trust net income less loss	358,324	14,763,417	193,720	7,583,672	7,709	1,120,413
Farm net income less loss	760,408	-6,315,765	613,979	-5,066,960	6,185	-139,220
Unemployment compensation	2,760,489	11,282,385	1,834,785	7,602,547	55,148	265,794
Taxable social security benefits	6,515,146	74,996,273	4,124,379	54,058,587	111,610	1,239,104
Other income less loss	3,644,493	22,702,868	2,545,224	16,513,274	55,204	580,987
Total statutory adjustments	16,709,959	79,332,407	11,935,578	60,126,549	236,163	1,243,487
Educator expenses deduction	2,395,249	608,548	1,783,989	464,045	48,709	11,574
Certain business expenses of reservist, performing artists, etc.	61,955	152,347	41,310	110,550	*3,654	*5,260
Health savings account deduction	162,399	402,506	121,754	343,770	1,744	4,267
Moving expenses adjustment	583,900	2,004,694	355,975	1,359,341	16,809	39,484
IRA payments	1,812,047	7,217,870	1,281,018	5,667,723	20,911	70,823
Student loan interest deduction	3,643,649	2,396,516	2,716,590	1,870,610	—	—
Tuition and fees deduction	2,729,289	6,377,189	2,006,403	4,800,139	—	—
Domestic production activities deduction	249,221	2,172,896	204,997	1,794,041	3,376	70,720
Payments to a Keogh plan	1,060,529	19,382,338	837,960	15,619,240	10,878	183,250
Deduction for self-employment tax	7,748,279	15,463,008	5,855,839	12,242,935	127,111	265,602
Self-employed health insurance deduction	2,567,117	14,675,693	1,834,197	11,951,447	39,517	201,593
Penalty on early withdrawal of savings	399,568	168,554	233,270	58,087	9,077	2,293
Alimony paid	410,871	7,234,716	163,981	2,978,046	20,424	372,380
Medical savings account deduction	12,807	29,921	9,324	25,334	—	—
Total itemized deductions	47,755,427	1,121,810,935	28,298,436	782,555,986	1,159,594	22,065,892
Medical and dental expenses deduction	9,917,189	67,353,932	5,340,388	35,128,767	195,277	905,778
Taxes paid deduction	47,353,480	400,390,045	28,216,489	295,630,627	1,139,452	7,750,425
Interest paid deduction	39,015,536	405,718,259	25,370,079	292,470,562	820,095	7,597,210
Contributions deduction	41,381,465	183,390,686	25,824,830	134,519,587	888,087	4,917,333
Casualty or theft loss deduction	813,976	14,984,169	494,666	9,797,939	15,045	206,782
Total miscellaneous deductions	13,506,352	95,297,457	7,036,094	52,629,383	310,279	2,021,891
Taxable income	43,994,111	3,757,580,036	26,598,332	2,856,797,602	1,089,312	79,077,945
Alternative minimum tax	3,825,092	16,732,134	2,966,101	13,203,695	152,415	518,088
Total tax credits	18,904,856	31,355,139	14,246,375	25,598,820	278,513	664,311
Child care credit	3,701,679	1,934,067	2,952,933	1,527,620	19,632	10,069
Credit for the elderly or disabled	*5,981	*723	*8	*3	*1,005	*185
Child tax credit	12,223,370	17,731,549	9,895,960	15,300,578	185,599	203,858
Education credit	2,869,328	2,760,572	2,195,850	2,222,957	—	—
Retirement savings contribution credit	1,154,241	189,733	703,491	130,510	19,200	1,888
Foreign tax credit	3,800,315	6,386,342	2,603,178	4,572,435	69,775	396,062
Earned income credit used to offset income						
tax before credits	194,616	56,282	28,681	6,464	—	—
Minimum tax credit	255,547	978,248	194,035	800,432	4,261	23,563
General business credit	200,879	790,338	147,948	629,301	1,319	20,569
Empowerment zone and renewal community employment credit	25,457	116,129	21,496	85,913	441	6,555
Nonconventional source fuel credit	2,553	27,730	1,388	16,689	*23	*417
Income tax after credits	41,165,624	753,298,475	24,886,462	578,852,708	1,053,932	16,923,864
Total income tax	41,165,626	753,298,882	24,886,463	578,853,094	1,053,932	16,923,864
Total tax liability	42,272,504	786,758,636	25,572,549	604,962,838	1,071,321	17,531,077
Total tax payments	45,703,126	846,352,440	27,530,867	638,339,972	1,073,492	18,232,844
Income tax withheld	43,273,486	575,293,426	26,382,158	429,226,977	1,010,903	9,145,437
Estimated tax payments	6,825,753	196,424,958	4,502,560	151,977,180	111,662	5,791,431
Overpayment refunded	33,550,310	116,024,661	19,150,041	75,467,882	709,867	1,767,823
Tax due at time of filing	11,444,999	87,784,068	7,613,512	66,944,467	393,796	2,410,216

Footnotes at end of table

Table 2.2 -- Returns with Itemized Deductions: Sources of Income, Adjustments, Deductions, Credits, and Tax Items, by Marital Status--Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns of heads of households		Returns of surviving spouses		Returns of single persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income less deficit	4,305,419	253,544,362	25,519	2,759,949	13,966,458	941,075,403
Salaries and wages	4,020,192	204,789,230	18,431	1,252,219	10,626,999	573,029,594
Taxable interest	1,888,959	2,596,241	24,244	86,434	8,752,796	29,412,787
Tax-exempt interest	76,820	806,981	3,057	53,418	1,017,895	14,796,475
Ordinary dividends	700,753	3,056,361	15,085	204,700	4,955,031	36,753,423
Qualified dividends	538,902	2,227,886	14,051	129,135	4,191,318	26,520,153
State income tax refunds	1,795,453	1,548,977	11,884	12,182	5,126,674	3,991,083
Alimony received	96,204	2,201,717	—	—	135,562	3,607,707
Business or profession						
Net income	407,811	9,663,162	377	69,286	1,277,290	35,235,854
Net loss	212,147	1,777,247	*763	*3,527	596,523	4,483,340
Sales of capital assets						
Net gain in AGI	342,577	13,444,431	7,314	236,884	2,649,613	111,256,896
Net loss in AGI	247,275	534,268	5,894	15,331	1,632,350	3,793,346
Sales of property other than capital assets	38,025	95,703	529	-4,724	222,504	484,655
Taxable IRA distributions	141,865	1,899,246	3,367	32,666	1,460,777	18,844,788
Taxable pensions and annuities	514,039	7,560,808	9,829	275,344	3,343,345	62,087,484
Rent and royalty						
Net income	116,750	1,307,032	1,760	32,996	849,842	13,067,285
Net loss	241,643	2,584,481	857	2,917	848,178	8,193,680
Farm rental net income less loss	5,468	20,653	—	—	92,239	486,429
Partnership and S Corporation net income less loss	175,158	9,569,367	1,864	441,901	963,410	48,712,350
Estate and trust net income less loss	10,564	515,696	188	34,084	146,144	5,509,552
Farm net income less loss	20,746	-130,816	*48	*-1,346	119,449	-977,422
Unemployment compensation	252,008	907,217	—	—	618,548	2,506,827
Taxable social security benefits	125,592	1,099,481	6,519	47,507	2,147,047	18,551,594
Other income less loss	196,225	1,167,816	2,465	59,686	845,375	4,381,105
Total statutory adjustments	1,231,071	4,226,202	5,575	18,379	3,301,572	13,717,791
Educator expenses deduction	165,168	39,653	—	—	397,384	93,275
Certain business expenses of reservist, performing artists, etc.	*4,922	*12,697	—	—	12,069	23,839
Health savings account deduction	—	—	—	—	34,833	48,669
Moving expenses adjustment	39,202	115,480	—	—	171,913	490,389
IRA payments	**101,609	**269,202	**153	**686	412,424	1,215,236
Student loan interest deduction	259,750	151,583	*1,301	*885	666,008	373,438
Tuition and fees deduction	366,609	863,032	*4,557	*8,252	351,720	705,766
Domestic production activities deduction	4,239	44,235	*147	*696	36,462	263,203
Payments to a Keogh plan	30,598	489,610	*60	*1,590	181,032	3,088,648
Deduction for self-employment tax	408,873	614,587	553	3,425	1,355,903	2,336,460
Self-employed health insurance deduction	120,096	527,986	518	2,728	572,788	1,991,939
Penalty on early withdrawal of savings	—	—	—	—	126,192	103,207
Alimony paid	**93,680	**1,060,218	**40	**116	163,776	2,828,922
Medical savings account deduction	*536	*905	—	—	2,947	3,682
Total itemized deductions	4,305,419	76,811,422	25,519	689,508	13,966,458	239,688,127
Medical and dental expenses deduction	857,392	3,145,937	6,925	49,897	3,517,207	28,123,553
Taxes paid deduction	4,249,932	21,206,872	25,518	229,195	13,722,090	75,572,926
Interest paid deduction	3,544,158	32,204,552	21,718	249,983	9,259,487	73,195,952
Contributions deduction	3,550,794	9,311,698	22,702	135,455	11,095,052	34,506,614
Casualty or theft loss deduction	100,430	1,535,325	*3	*970	203,831	3,443,152
Total miscellaneous deductions	1,701,151	10,309,455	5,089	54,167	4,453,740	30,282,560
Taxable income	3,808,663	148,036,030	21,932	1,936,189	12,475,870	671,732,270
Alternative minimum tax	268,748	719,087	1,026	6,253	436,803	2,285,011
Total tax credits	2,504,563	3,015,779	11,865	19,147	1,863,541	2,057,081
Child care credit	690,567	374,173	*2,598	*1,503	35,950	20,701
Credit for the elderly or disabled	—	—	—	—	*4,967	*534
Child tax credit	1,933,887	2,015,523	8,564	9,285	199,360	202,304
Education credit	290,794	247,156	*624	*20	382,059	290,439
Retirement savings contribution credit	259,723	33,285	—	—	171,827	24,050
Foreign tax credit	109,405	233,237	4,244	7,469	1,013,713	1,177,139
Earned income credit used to offset income						
tax before credits	130,072	40,851	—	—	35,863	8,967
Minimum tax credit	9,245	22,530	*33	*22	47,975	131,702
General business credit	4,066	12,469	*5	*76	47,541	127,923
Empowerment zone and renewal community employment credit	373	489	*8	*591	3,138	22,581
Nonconventional source fuel credit	*10	*6	—	—	1,133	10,619
Income tax after credits	2,928,161	23,976,245	16,662	402,177	12,280,406	133,143,481
Total income tax	2,928,161	23,976,251	16,662	402,177	12,280,407	133,143,495
Total tax liability	3,018,416	25,256,670	16,663	410,731	12,593,556	138,597,320
Total tax payments	4,122,279	35,509,177	21,685	447,904	12,954,803	153,822,542
Income tax withheld	4,022,857	29,475,304	21,077	252,777	11,836,490	107,192,932
Estimated tax payments	185,804	4,293,715	2,713	162,074	2,023,014	34,200,559
Overpayment refunded	3,810,541	14,134,589	16,521	69,376	9,863,340	24,584,992
Tax due at time of filing	416,739	2,518,236	5,190	71,878	3,015,761	15,839,270

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to prevent disclosure of information for specific taxpayers.

NOTE: Detail may not add to totals because of rounding.

Table 2.3--All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents				
				Total				Total income tax
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total.....	134,372,678	269,043,070	177,199,436	50,530,456	91,843,635	3,437,500,242	26,892,206	401,429,731
Under \$5,000.....	13,237,456	12,035,320	8,859,315	1,865,918	3,176,005	-25,008,133	1,652	46,546
\$5,000 under \$10,000.....	12,114,236	15,383,275	10,656,713	3,075,336	4,726,562	23,762,955	1,006	1,714
\$10,000 under \$15,000.....	11,635,684	19,474,957	12,547,056	4,009,801	6,927,901	50,100,512	73,271	8,982
\$15,000 under \$20,000.....	11,126,599	20,305,871	13,255,609	4,053,064	7,050,262	70,970,314	211,569	74,549
\$20,000 under \$25,000.....	9,784,167	18,825,428	12,023,771	3,827,356	6,801,656	85,882,024	349,412	220,468
\$25,000 under \$30,000.....	8,738,107	17,129,265	11,039,090	3,346,757	6,090,174	91,740,549	707,426	589,510
\$30,000 under \$35,000.....	7,548,384	15,155,412	9,871,922	2,858,029	5,283,490	92,612,578	1,236,210	1,395,414
\$35,000 under \$40,000.....	6,392,021	13,097,784	8,658,439	2,424,113	4,439,345	90,780,947	1,394,900	2,052,656
\$40,000 under \$45,000.....	5,637,129	11,884,701	7,936,193	2,129,787	3,948,508	90,409,346	1,423,783	2,551,570
\$45,000 under \$50,000.....	4,981,378	11,172,502	7,304,130	2,062,400	3,868,372	97,914,763	1,552,051	3,374,166
\$50,000 under \$55,000.....	4,459,478	10,369,648	6,808,892	1,908,216	3,560,755	100,202,912	1,589,345	4,063,341
\$55,000 under \$60,000.....	4,006,198	9,437,274	6,321,355	1,698,647	3,115,919	97,684,405	1,512,165	4,522,264
\$60,000 under \$75,000.....	9,885,361	24,940,478	16,598,962	4,476,752	8,341,516	301,058,769	4,178,383	16,825,520
\$75,000 under \$100,000.....	10,449,989	28,682,731	18,739,921	5,283,033	9,942,810	456,552,631	5,177,437	33,325,618
\$100,000 under \$200,000.....	10,810,367	30,857,785	20,003,472	5,661,844	10,854,313	751,330,517	5,637,215	91,185,624
\$200,000 under \$500,000.....	2,737,802	7,894,394	5,055,203	1,437,000	2,839,191	412,290,268	1,434,676	83,991,010
\$500,000 under \$1,000,000.....	524,506	1,537,272	964,665	270,330	572,607	181,866,388	269,894	45,103,191
\$1,000,000 under \$1,500,000.....	127,925	359,725	233,631	59,891	126,094	72,525,382	59,781	18,804,083
\$1,500,000 under \$2,000,000.....	56,615	162,033	103,913	26,987	58,119	46,464,786	26,943	11,951,459
\$2,000,000 under \$5,000,000.....	84,070	238,252	153,623	39,195	84,629	116,823,071	39,116	29,721,531
\$5,000,000 under \$10,000,000.....	21,431	60,172	38,799	9,789	21,373	66,869,660	9,766	16,335,288
\$10,000,000 or more.....	13,776	38,794	24,760	6,214	14,034	164,665,598	6,205	35,285,230
Taxable returns, total.....	90,593,081	171,691,204	125,871,314	26,892,206	45,819,890	2,965,085,027	26,892,206	401,429,731
Nontaxable returns, total.....	43,779,597	97,351,866	51,328,122	23,638,249	46,023,744	472,415,214	--	--

Size of adjusted gross income	Exemptions for dependents--continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns, total.....	45,872,301	81,170,334	3,256,899,957	24,373,943	385,909,404	736,110	967,043	53,187,893	565,341	6,605,757
Under \$5,000.....	1,685,019	2,762,926	-24,281,546	1,438	44,887	11,028	13,679	-655,090	209	1,648
\$5,000 under \$10,000.....	2,651,329	3,995,509	20,490,674	1,006	1,714	22,612	32,258	172,392	--	--
\$10,000 under \$15,000.....	3,482,623	5,865,961	43,475,703	19,920	2,579	26,772	39,442	332,917	3	1
\$15,000 under \$20,000.....	3,492,932	5,868,405	61,178,115	58,810	18,403	34,275	53,651	583,784	4,298	955
\$20,000 under \$25,000.....	3,275,646	5,515,491	73,572,395	137,624	63,079	44,350	62,739	979,331	18,823	10,078
\$25,000 under \$30,000.....	2,941,330	5,102,169	80,631,188	470,760	320,371	45,021	50,843	1,240,426	27,878	29,390
\$30,000 under \$35,000.....	2,524,643	4,441,260	81,804,999	984,446	994,097	46,658	59,615	1,503,416	35,334	49,400
\$35,000 under \$40,000.....	2,149,451	3,745,956	80,494,683	1,148,341	1,550,655	44,402	58,694	1,686,438	39,116	78,115
\$40,000 under \$45,000.....	1,909,644	3,432,926	81,042,438	1,224,957	2,013,461	48,220	65,751	2,054,209	43,912	106,631
\$45,000 under \$50,000.....	1,879,851	3,413,201	89,237,732	1,377,590	2,791,357	42,867	53,144	2,024,746	37,096	105,261
\$50,000 under \$55,000.....	1,751,403	3,176,465	91,973,535	1,435,157	3,455,816	46,093	62,166	2,418,699	42,220	144,062
\$55,000 under \$60,000.....	1,567,145	2,820,637	90,117,241	1,382,306	3,916,149	35,735	48,081	2,056,020	32,835	140,444
\$60,000 under \$75,000.....	4,240,758	7,742,845	285,331,241	3,943,842	15,363,380	77,256	98,146	5,218,964	74,452	447,951
\$75,000 under \$100,000.....	5,043,025	9,357,962	435,949,127	4,937,476	31,222,146	91,768	110,171	7,896,671	90,180	776,013
\$100,000 under \$200,000.....	5,477,044	10,337,714	726,529,102	5,452,741	87,704,910	93,097	122,691	12,760,352	93,078	1,814,651
\$200,000 under \$500,000.....	1,395,185	2,731,928	400,788,555	1,392,942	81,703,828	21,773	29,441	6,060,683	21,729	1,236,446
\$500,000 under \$1,000,000.....	265,301	559,535	178,503,402	264,873	44,304,191	2,940	4,844	1,986,733	2,937	509,465
\$1,000,000 under \$1,500,000.....	59,117	124,460	71,570,406	59,009	18,594,486	378	488	478,835	377	107,908
\$1,500,000 under \$2,000,000.....	26,532	56,996	45,685,569	26,489	11,750,286	292	368	495,734	291	130,795
\$2,000,000 under \$5,000,000.....	38,572	83,153	115,023,366	38,496	29,289,832	413	576	1,223,637	411	293,890
\$5,000,000 under \$10,000,000.....	9,629	21,013	65,773,831	9,606	16,066,669	94	140	660,296	94	160,102
\$10,000,000 or more.....	6,122	13,821	162,008,204	6,113	34,737,109	68	114	2,008,702	68	462,550
Taxable returns, total.....	24,373,943	41,108,910	2,817,569,096	24,373,943	385,909,404	565,341	708,224	50,009,744	565,341	6,605,757
Nontaxable returns, total.....	21,498,358	40,061,424	439,330,861	--	--	170,769	258,819	3,178,149	--	--

Footnotes at end of table.

Table 2.3--All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Exemptions for dependents--continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
All returns, total.....	2,621,622	3,104,763	140,966,728	1,681,586	12,736,381	4,757,364	6,601,495	147,581,125	1,626,220	7,090,093
Under \$5,000.....	58,367	70,072	-852,813	19	338	233,598	329,328	-55,423	**	**
\$5,000 under \$10,000.....	97,901	112,584	764,883	--	--	467,695	586,211	3,626,450	--	--
\$10,000 under \$15,000.....	163,332	197,083	2,111,530	23,686	2,184	609,318	825,414	7,640,729	**29,661	**4,886
\$15,000 under \$20,000.....	222,986	258,182	3,914,802	76,127	25,129	632,539	870,025	11,096,168	80,362	31,618
\$20,000 under \$25,000.....	261,793	314,663	5,868,406	122,173	83,922	610,391	908,763	13,616,856	90,764	71,670
\$25,000 under \$30,000.....	225,061	259,759	6,208,800	106,810	126,877	482,152	677,403	13,189,664	140,463	135,598
\$30,000 under \$35,000.....	221,993	270,283	7,177,040	132,325	206,989	353,097	512,333	11,475,608	176,490	226,993
\$35,000 under \$40,000.....	171,952	211,925	6,440,739	122,882	227,111	292,308	422,769	10,938,044	183,727	315,250
\$40,000 under \$45,000.....	151,258	168,019	6,428,354	119,576	283,452	197,898	281,811	8,386,637	143,223	303,325
\$45,000 under \$50,000.....	122,440	139,282	5,817,057	96,486	286,468	182,753	262,746	8,708,548	142,252	386,517
\$50,000 under \$55,000.....	123,129	141,051	6,463,611	103,913	340,156	132,161	181,073	6,910,001	110,289	339,929
\$55,000 under \$60,000.....	100,798	116,109	5,798,109	93,361	349,945	101,448	131,093	5,828,028	90,103	338,366
\$60,000 under \$75,000.....	214,071	256,036	14,329,964	203,322	936,745	186,378	244,488	12,374,426	172,310	821,559
\$75,000 under \$100,000.....	218,659	266,416	18,768,733	213,482	1,460,816	153,554	208,261	13,175,414	144,550	963,416
\$100,000 under \$200,000.....	213,263	258,407	28,347,856	212,909	3,411,279	103,376	135,500	13,266,225	103,364	1,606,668
\$200,000 under \$500,000.....	47,304	56,526	13,119,473	47,215	2,588,898	16,321	21,296	4,323,198	16,288	829,441
\$500,000 under \$1,000,000.....	5,250	5,989	3,534,255	5,241	842,383	1,765	2,239	1,170,007	1,760	269,948
\$1,000,000 under \$1,500,000.....	810	917	1,001,375	805	236,919	188	229	233,400	186	48,791
\$1,500,000 under \$2,000,000.....	470	539	807,427	470	209,083	184	217	322,958	184	79,309
\$2,000,000 under \$5,000,000.....	567	681	1,667,912	566	408,681	177	219	529,000	176	129,068
\$5,000,000 under \$10,000,000.....	142	160	952,485	142	239,523	52	60	344,267	52	90,276
\$10,000,000 or more.....	76	80	2,296,731	76	469,484	15	19	480,920	15	97,467
Taxable returns, total.....	1,681,586	1,964,265	120,358,234	1,681,586	12,736,381	1,626,220	2,038,492	88,593,717	1,626,220	7,090,093
Nontaxable returns, total.....	940,036	1,140,498	20,608,494	--	--	3,131,144	4,563,003	58,987,408	--	--

Size of adjusted gross income	Exemptions for dependents--continued				
	Exemptions for individuals displaced by Hurricane Katrina				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)
All returns, total.....	131,544	287,446	9,913,479	93,982	1,128,508
Under \$5,000.....	* 3,204	* 5,082	* 890	--	--
\$5,000 under \$10,000.....	* 4,671	* 10,702	* 38,246	--	--
\$10,000 under \$15,000.....	* 3,979	* 6,953	* 44,909	--	--
\$15,000 under \$20,000.....	* 6,320	* 9,277	* 115,559	* 2,300	* 911
\$20,000 under \$25,000.....	* 7,312	* 19,944	* 164,840	* 3,646	* 2,650
\$25,000 under \$30,000.....	* 10,195	* 23,128	* 280,304	* 3,890	* 4,329
\$30,000 under \$35,000.....	6,924	19,413	220,259	4,263	4,679
\$35,000 under \$40,000.....	* 4,961	* 9,929	* 186,321	* 4,310	* 7,348
\$40,000 under \$45,000.....	* 4,659	* 8,952	* 202,296	* 3,662	* 7,111
\$45,000 under \$50,000.....	* 6,652	* 16,986	* 313,568	* 6,652	* 17,994
\$50,000 under \$55,000.....	* 8,897	* 17,866	* 468,642	* 6,232	* 22,878
\$55,000 under \$60,000.....	5,294	11,277	302,548	5,262	25,133
\$60,000 under \$75,000.....	* 15,618	* 34,519	* 1,044,048	* 12,768	* 59,796
\$75,000 under \$100,000.....	15,487	30,979	1,332,111	14,817	126,321
\$100,000 under \$200,000.....	23,035	51,451	3,155,422	21,883	408,755
\$200,000 under \$500,000.....	3,708	9,335	1,113,638	3,673	221,074
\$500,000 under \$1,000,000.....	384	1,149	271,624	382	63,198
\$1,000,000 under \$1,500,000.....	113	215	137,329	113	36,390
\$1,500,000 under \$2,000,000.....	* 45	* 110	* 78,284	* 45	* 16,955
\$2,000,000 under \$5,000,000.....	62	125	184,267	62	50,649
\$5,000,000 under \$10,000,000.....	16	38	124,190	16	27,966
\$10,000,000 or more.....	* 7	* 17	* 134,186	* 7	* 24,373
Taxable returns, total.....	93,982	212,173	8,818,896	93,982	1,128,508
Nontaxable returns, total.....	37,561	75,272	1,094,583	--	--

* Estimate should be used with caution because of the small number of returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

Table 2.4--All Returns: Exemptions by Type and Number of Exemptions, by Marital Status

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Marital status	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents				
				Total				
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
							Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total.....	134,372,678	269,043,070	177,199,436	50,530,455	91,843,635	3,437,500,242	26,892,206	401,429,731
Joint returns of married persons.....	52,505,729	161,019,002	105,009,460	28,228,369	56,009,543	2,780,294,766	19,661,681	360,695,320
Separate returns of married persons, total.....	2,462,804	3,350,958	2,478,294	584,092	872,665	33,451,534	413,668	4,428,694
Spouse filing.....	2,441,153	3,296,121	2,434,992	576,865	861,129	33,197,159	409,391	4,414,629
Spouse not filing.....	21,651	54,838	43,302	7,227	11,536	254,376	*4,277	*14,065
Returns of heads of household.....	19,985,059	51,109,119	19,985,059	19,097,823	31,124,060	550,988,829	5,901,636	29,926,906
Returns of surviving spouses.....	71,111	188,663	71,111	71,111	117,552	3,881,109	33,793	489,948
Returns of single persons.....	59,347,974	53,375,327	49,655,512	2,549,061	3,719,815	68,884,003	881,428	5,888,862

Marital status	Exemptions for dependents--continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns, total.....	45,872,301	81,170,334	3,256,899,957	24,373,942	385,909,404	736,110	967,043	53,187,893	565,341	6,605,757
Joint returns of married persons.....	27,383,294	53,062,076	2,716,205,555	19,011,769	353,513,354	290,331	375,415	29,985,077	234,403	3,954,438
Separate returns of married persons, total.....	516,863	764,312	30,463,243	363,135	4,100,236	32,303	39,742	1,535,117	23,413	200,254
Spouse filing.....	511,646	755,792	30,261,450	359,863	4,086,752	31,298	38,737	1,514,211	23,413	200,254
Spouse not filing.....	5,217	8,520	201,793	*3,272	*13,484	*1,005	*1,005	*20,906	—	—
Returns of heads of household.....	16,392,592	25,157,942	472,982,801	4,671,259	25,277,569	122,689	161,308	5,488,821	76,246	438,099
Returns of surviving spouses.....	70,075	113,750	3,866,546	33,793	489,948	*41	*41	*31,048	*41	*8,361
Returns of single persons.....	1,509,478	2,072,254	33,381,812	293,986	2,528,297	290,747	390,536	16,147,830	231,237	2,004,604

Footnotes at end of the table

Table 2.4--All Returns: Exemptions by Type and Number of Exemptions, by Marital Status

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Marital status	Exemptions for dependents--continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
All returns, total.....	2,621,622	3,104,763	140,966,727	1,681,586	12,736,381	4,757,364	6,601,495	147,581,125	1,626,220	7,090,093
Joint returns of married persons	1,012,237	1,215,910	84,113,423	720,413	8,692,024	940,317	1,356,142	50,796,329	480,825	3,229,115
Separate returns of married persons, total.....	24,589	26,218	1,167,951	21,282	139,025	37,145	42,392	1,503,987	25,355	108,499
Spouse filing	24,589	26,218	1,167,951	21,282	139,025	36,140	40,382	1,472,311	24,349	107,918
Spouse not filing	--	--	--	--	--	*1,005	*2,010	*31,677	*1,005	*581
Returns of heads of household	1,385,856	1,608,661	49,868,837	832,451	3,454,627	3,068,544	4,196,149	78,440,123	840,755	2,719,083
Returns of surviving spouses	*3	*3	*1,420	*3	*267	*2,659	*3,758	*68,151	--	--
Returns of single persons	198,937	253,971	5,815,096	107,436	450,438	708,699	1,003,054	16,772,535	279,286	1,033,396

Marital status	Exemptions for dependents--continued				
	Exemptions for individuals displaced by Hurricane Katrina				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)
All returns, total.....	131,544	287,446	9,913,479	93,982	1,128,508
Joint returns of married persons.....	77,769	182,942	7,653,058	63,198	929,012
Separate returns of married persons, total.....	*2,004	*2,008	*118,687	*2,003	*8,588
Spouse filing	*2,004	*2,008	*118,687	*2,003	*8,588
Spouse not filing	--	--	--	--	--
Returns of heads of household.....	26,527	49,276	749,602	8,839	25,139
Returns of surviving spouses	--	--	--	--	--
Returns of single persons.....	25,244	53,219	1,392,133	19,942	165,769

*Estimate should be used with caution because of the small number of returns on which it is based.

NOTE: Detail may not add to totals because of rounding.

Table 2.5--Returns with Earned Income Credit, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns with earned income credit									
	Number of returns	Adjusted gross income less deficit	EIC salaries and wages		EIC self-employment income		EIC earned income [1]		Total earned income credit	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total.....	22,751,904	341,085,683	20,360,871	307,210,237	5,159,994	30,637,140	22,751,904	338,175,645	22,751,904	42,410,291
No adjusted gross income.....	193,997	-4,612,497	108,381	976,368	128,181	245,460	193,997	1,298,095	193,997	171,687
\$1 under \$1,000.....	348,697	195,054	235,552	279,960	132,633	101,908	348,697	416,066	348,697	59,451
\$1,000 under \$2,000.....	531,838	800,719	444,254	770,250	111,398	178,360	531,838	992,469	531,838	186,500
\$2,000 under \$3,000.....	610,684	1,533,708	520,762	1,358,081	126,203	283,568	610,684	1,650,801	610,684	325,530
\$3,000 under \$4,000.....	680,755	2,386,630	573,022	2,063,450	155,715	414,698	680,755	2,522,821	680,755	479,511
\$4,000 under \$5,000.....	750,299	3,383,303	646,542	2,900,491	176,729	577,078	750,299	3,486,185	750,299	709,518
\$5,000 under \$6,000.....	843,417	4,638,599	709,251	3,943,931	227,035	795,993	843,417	4,772,869	843,417	970,801
\$6,000 under \$7,000.....	908,244	5,909,829	789,280	4,997,249	207,120	945,077	908,244	5,957,575	908,244	1,224,401
\$7,000 under \$8,000.....	1,131,122	8,514,368	885,297	6,082,597	409,528	2,269,741	1,131,122	8,383,694	1,131,122	1,944,997
\$8,000 under \$9,000.....	1,028,276	8,718,587	850,200	6,615,744	330,651	1,810,713	1,028,276	8,426,457	1,028,276	1,877,277
\$9,000 under \$10,000.....	1,035,933	9,843,480	903,998	7,965,125	251,272	1,536,296	1,035,933	9,501,421	1,035,933	1,972,540
\$10,000 under \$11,000.....	1,063,089	11,166,335	926,144	9,078,550	269,891	1,700,341	1,063,089	10,778,891	1,063,089	2,365,416
\$11,000 under \$12,000.....	1,044,209	11,970,587	880,466	8,776,440	335,082	2,638,736	1,044,209	11,419,257	1,044,209	2,775,472
\$12,000 under \$13,000.....	755,227	9,435,821	651,217	7,191,816	218,562	1,922,371	755,227	9,114,187	755,227	2,460,244
\$13,000 under \$14,000.....	652,106	8,806,181	581,462	7,183,580	162,822	1,260,092	652,106	8,443,672	652,106	2,170,231
\$14,000 under \$15,000.....	670,564	9,722,450	610,983	8,115,201	160,001	1,205,334	670,564	9,320,535	670,564	2,341,395
\$15,000 under \$16,000.....	651,365	10,096,502	594,424	8,839,795	138,341	996,487	651,365	9,836,282	651,365	2,170,282
\$16,000 under \$17,000.....	679,120	11,197,827	629,098	9,943,676	125,482	960,782	679,120	10,904,458	679,120	2,179,132
\$17,000 under \$18,000.....	645,987	11,299,519	609,305	10,224,890	98,370	769,439	645,987	10,994,329	645,987	1,922,454
\$18,000 under \$19,000.....	684,617	12,668,812	640,382	11,462,119	122,650	887,812	684,617	12,349,931	684,617	1,925,055
\$19,000 under \$20,000.....	642,093	12,517,164	610,141	11,290,784	106,874	772,203	642,093	12,062,987	642,093	1,703,365
\$20,000 under \$25,000.....	3,002,196	67,369,557	2,880,477	62,472,603	445,779	3,303,445	3,002,196	65,803,884	3,002,196	6,286,147
\$25,000 under \$30,000.....	2,556,468	69,946,771	2,473,092	64,911,775	401,779	2,938,969	2,556,468	67,850,744	2,556,468	3,220,064
\$30,000 and over.....	1,641,602	53,576,374	1,607,140	49,765,759	317,896	2,122,234	1,641,602	51,888,035	1,641,602	968,822

Size of adjusted gross income	All returns with earned income credit--continued									
	EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion		Nontaxable combat pay	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Total.....	2,896,347	745,322	1,146,240	444,471	4,756,198	4,199,530	20,087,050	37,465,440	21,973	328,268
No adjusted gross income.....	*14	*9	--	--	97,626	51,411	130,423	120,267	*2,995	*76,266
\$1 under \$1,000.....	--	--	--	--	62,056	10,977	296,662	48,473	*2,003	*34,198
\$1,000 under \$2,000.....	--	--	--	--	103,033	18,048	453,496	168,452	*2,003	*43,858
\$2,000 under \$3,000.....	--	--	--	--	115,642	28,603	528,797	296,927	*1,656	*9,152
\$3,000 under \$4,000.....	--	--	--	--	144,742	46,537	589,753	432,974	*2,003	*44,672
\$4,000 under \$5,000.....	--	--	--	--	160,662	63,300	653,677	646,218	*998	*8,615
\$5,000 under \$6,000.....	--	--	--	--	211,437	95,601	727,712	875,199	*2,655	*32,944
\$6,000 under \$7,000.....	--	--	--	--	204,113	106,122	813,566	1,118,278	*1,649	*15,248
\$7,000 under \$8,000.....	*1,317	*10	--	--	390,559	295,174	1,028,759	1,649,813	*998	*31,355
\$8,000 under \$9,000.....	226,463	9,336	*1,302	*21	322,445	232,267	936,721	1,635,675	--	--
\$9,000 under \$10,000.....	306,080	36,496	78,888	2,783	225,153	189,887	902,037	1,746,157	--	--
\$10,000 under \$11,000.....	296,077	27,320	283,472	37,181	215,998	241,730	763,289	2,096,366	--	--
\$11,000 under \$12,000.....	206,112	6,423	186,198	52,367	309,771	384,422	837,118	2,384,626	*1,005	*4,081
\$12,000 under \$13,000.....	11,304	2,420	--	--	214,804	282,287	734,204	2,175,536	--	--
\$13,000 under \$14,000.....	19,176	1,303	--	--	163,058	207,451	640,688	1,961,478	--	--
\$14,000 under \$15,000.....	36,319	6,050	--	--	165,719	214,453	668,314	2,120,891	--	--
\$15,000 under \$16,000.....	36,650	8,462	*8	*19	133,629	195,920	646,155	1,965,900	--	--
\$16,000 under \$17,000.....	47,421	14,968	--	--	118,270	176,372	664,039	1,987,792	--	--
\$17,000 under \$18,000.....	46,999	15,788	--	--	99,154	136,693	632,152	1,769,973	--	--
\$18,000 under \$19,000.....	50,680	21,414	*302	*94	111,525	163,426	661,280	1,740,216	--	--
\$19,000 under \$20,000.....	50,280	26,124	*1,005	*504	108,314	128,395	625,076	1,548,845	--	--
\$20,000 under \$25,000.....	451,920	212,790	29,191	6,852	437,960	496,007	2,830,398	5,577,351	*3,002	*27,836
\$25,000 under \$30,000.....	735,580	290,411	319,272	175,058	374,662	302,578	2,079,128	2,627,075	--	--
\$30,000 and over.....	373,954	65,997	246,601	169,592	265,862	131,868	1,243,607	770,957	1,005	41

Footnotes at end of table

Table 2.5--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns with no qualifying children									
	Number of returns	Adjusted gross income less deficit	EIC salaries and wages		EIC self-employment income		EIC earned income [1]		Total earned income credit	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Total.....	4,736,797	26,936,185	3,821,908	23,979,077	1,398,800	4,368,536	4,736,797	28,391,353	4,736,797	1,088,742
No adjusted gross income..	123,926	-2,169,561	62,548	292,565	85,218	133,741	123,926	426,307	123,926	23,577
\$1 under \$1,000	251,049	133,957	145,328	168,876	120,316	93,407	251,049	262,283	251,049	18,643
\$1,000 under \$2,000	301,077	453,748	224,325	402,530	94,947	135,726	301,077	538,256	301,077	39,226
\$2,000 under \$3,000	346,221	861,897	270,691	672,514	94,725	230,834	346,221	912,500	346,221	67,603
\$3,000 under \$4,000	387,828	1,359,916	305,501	1,117,202	110,746	305,769	387,828	1,422,971	387,828	103,950
\$4,000 under \$5,000	403,687	1,816,532	321,807	1,422,650	127,116	400,109	403,687	1,822,759	403,687	130,655
\$5,000 under \$6,000	447,412	2,454,940	343,490	1,970,401	155,563	468,902	447,412	2,442,536	447,412	164,252
\$6,000 under \$7,000	457,542	2,980,893	380,868	2,425,818	117,346	509,033	457,542	2,934,850	457,542	164,672
\$7,000 under \$8,000	445,604	3,341,927	362,822	2,568,906	135,125	626,133	445,604	3,226,394	445,604	137,400
\$8,000 under \$9,000	408,440	3,469,606	346,471	2,771,611	118,452	471,342	408,440	3,242,953	408,440	102,437
\$9,000 under \$10,000	423,325	4,021,025	380,315	3,354,068	87,410	397,746	423,325	3,751,814	423,325	76,056
\$10,000 under \$11,000	377,677	3,956,259	344,325	3,388,573	71,255	321,208	377,677	3,709,781	377,677	40,383
\$11,000 under \$12,000	280,178	3,191,982	261,864	2,674,782	49,480	180,302	280,178	2,855,084	280,178	14,532
\$12,000 under \$13,000	55,504	696,865	47,902	456,022	20,560	91,416	55,504	547,438	55,504	4,653
\$13,000 under \$14,000	27,327	366,198	23,651	292,558	10,541	2,868	27,327	295,426	27,327	703
\$14,000 under \$15,000	--	--	--	--	--	--	--	--	--	--
\$15,000 under \$16,000	--	--	--	--	--	--	--	--	--	--
\$16,000 under \$17,000	--	--	--	--	--	--	--	--	--	--
\$17,000 under \$18,000	--	--	--	--	--	--	--	--	--	--
\$18,000 under \$19,000	--	--	--	--	--	--	--	--	--	--
\$19,000 under \$20,000	--	--	--	--	--	--	--	--	--	--
\$20,000 under \$25,000	--	--	--	--	--	--	--	--	--	--
\$25,000 under \$30,000	--	--	--	--	--	--	--	--	--	--
\$30,000 and over.....	--	--	--	--	--	--	--	--	--	--

Size of adjusted gross income	Returns with no qualifying children--continued									
	EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion		Nontaxable combat pay	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total.....	1,012,183	77,462	549,860	92,353	1,105,501	261,483	3,220,149	749,798	*3,312	*43,740
No adjusted gross income..	--	--	--	--	62,983	12,784	66,239	10,793	--	--
\$1 under \$1,000	--	--	--	--	53,344	7,754	199,014	10,889	--	--
\$1,000 under \$2,000	--	--	--	--	83,940	11,950	222,735	27,276	--	--
\$2,000 under \$3,000	--	--	--	--	89,307	18,745	264,636	48,858	*1,656	*9,152
\$3,000 under \$4,000	--	--	--	--	101,874	26,824	297,476	77,125	--	--
\$4,000 under \$5,000	--	--	--	--	110,496	34,081	307,368	96,574	--	--
\$5,000 under \$6,000	--	--	--	--	138,365	45,388	333,463	118,864	*658	*3,232
\$6,000 under \$7,000	--	--	--	--	115,810	34,956	364,526	129,716	--	--
\$7,000 under \$8,000	*1,317	*10	--	--	118,001	32,855	344,187	104,535	*998	*31,355
\$8,000 under \$9,000	224,806	9,291	*1,302	*21	109,274	22,250	317,261	70,897	--	--
\$9,000 under \$10,000	301,449	36,039	78,888	2,783	61,607	7,628	289,436	32,389	--	--
\$10,000 under \$11,000	293,755	27,082	283,472	37,181	18,658	2,811	78,181	10,490	--	--
\$11,000 under \$12,000	190,856	5,041	186,198	52,367	19,437	1,941	74,543	7,551	--	--
\$12,000 under \$13,000	--	--	--	--	16,453	1,368	39,709	3,285	--	--
\$13,000 under \$14,000	--	--	--	--	5,951	147	21,376	556	--	--
\$14,000 under \$15,000	--	--	--	--	--	--	--	--	--	--
\$15,000 under \$16,000	--	--	--	--	--	--	--	--	--	--
\$16,000 under \$17,000	--	--	--	--	--	--	--	--	--	--
\$17,000 under \$18,000	--	--	--	--	--	--	--	--	--	--
\$18,000 under \$19,000	--	--	--	--	--	--	--	--	--	--
\$19,000 under \$20,000	--	--	--	--	--	--	--	--	--	--
\$20,000 under \$25,000	--	--	--	--	--	--	--	--	--	--
\$25,000 under \$30,000	--	--	--	--	--	--	--	--	--	--
\$30,000 and over.....	--	--	--	--	--	--	--	--	--	--

Footnotes at end of table.

Table 2.5--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns with one qualifying child									
	Number of returns	Adjusted gross income less deficit	EIC salaries and wages		EIC self-employment income		EIC earned income [1]		Total earned income credit	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
Total.....	8,626,893	137,327,950	7,956,418	125,661,078	1,605,438	9,419,234	8,626,893	135,188,140	8,626,893	15,351,802
No adjusted gross income.....	36,131	-1,138,860	23,001	271,534	22,369	96,346	36,131	396,380	36,131	61,238
\$1 under \$1,000.....	51,301	33,383	45,379	73,042	8,380	4,377	51,301	107,645	51,301	23,262
\$1,000 under \$2,000.....	146,183	219,927	139,957	220,591	8,205	18,427	146,183	239,018	146,183	80,642
\$2,000 under \$3,000.....	166,293	420,172	158,140	425,295	20,227	39,886	166,293	465,181	166,293	153,852
\$3,000 under \$4,000.....	183,816	643,311	164,388	570,873	32,417	83,788	183,816	654,662	183,816	217,322
\$4,000 under \$5,000.....	204,777	924,782	194,923	847,916	25,277	91,974	204,777	948,505	204,777	315,870
\$5,000 under \$6,000.....	222,818	1,228,401	205,260	1,114,999	43,644	149,882	222,818	1,294,593	222,818	417,925
\$6,000 under \$7,000.....	269,876	1,756,220	246,748	1,531,212	53,979	248,993	269,876	1,786,899	269,876	587,544
\$7,000 under \$8,000.....	472,914	3,577,492	332,506	2,103,481	229,330	1,458,159	472,914	3,561,639	472,914	1,182,072
\$8,000 under \$9,000.....	376,546	3,184,117	290,010	2,198,126	142,064	956,219	376,546	3,154,344	376,546	981,498
\$9,000 under \$10,000.....	343,135	3,256,992	294,969	2,603,045	84,974	597,163	343,135	3,200,208	343,135	891,983
\$10,000 under \$11,000.....	318,900	3,349,517	282,599	2,911,221	66,228	384,058	318,900	3,295,280	318,900	829,710
\$11,000 under \$12,000.....	292,894	3,377,794	273,076	2,897,164	55,966	372,369	292,894	3,273,614	292,894	760,428
\$12,000 under \$13,000.....	329,034	4,112,480	296,725	3,429,483	65,511	599,427	329,034	4,028,910	329,034	857,221
\$13,000 under \$14,000.....	301,217	4,063,900	281,304	3,580,101	48,826	327,800	301,217	3,907,901	301,217	784,263
\$14,000 under \$15,000.....	302,487	4,388,055	284,690	3,879,226	53,778	315,513	302,487	4,194,739	302,487	779,867
\$15,000 under \$16,000.....	314,556	4,878,681	294,149	4,460,157	50,067	254,522	314,556	4,714,679	314,556	776,510
\$16,000 under \$17,000.....	327,507	5,396,711	308,205	4,857,035	52,527	403,725	327,507	5,260,759	327,507	769,017
\$17,000 under \$18,000.....	323,277	5,655,941	310,247	5,242,564	42,664	219,933	323,277	5,462,497	323,277	697,182
\$18,000 under \$19,000.....	341,923	6,325,744	324,109	5,901,130	53,589	256,605	341,923	6,157,735	341,923	689,967
\$19,000 under \$20,000.....	307,211	5,986,948	292,966	5,423,354	43,573	302,453	307,211	5,725,807	307,211	564,306
\$20,000 under \$25,000.....	1,493,729	33,494,534	1,445,485	31,304,976	195,152	1,292,993	1,493,729	32,597,970	1,493,729	2,106,988
\$25,000 under \$30,000.....	1,183,559	32,369,605	1,157,196	30,633,791	2,311,520	67,683,266	1,183,559	31,309,255	1,183,559	769,345
\$30,000 and over.....	316,808	9,822,103	310,386	9,180,760	1,373,566	51,723,300	316,808	9,449,921	316,808	53,791

Size of adjusted gross income	Returns with one qualifying child--continued									
	EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion		Nontaxable combat pay	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Total.....	1,558,842	547,238	518,463	312,207	1,529,140	1,408,110	7,866,608	13,396,454	*6,995	*107,827
No adjusted gross income.....	--	--	--	--	19,911	20,475	32,528	40,763	*998	*28,499
\$1 under \$1,000.....	--	--	--	--	7,089	2,754	51,301	20,508	*998	*30,225
\$1,000 under \$2,000.....	--	--	--	--	11,509	3,460	146,183	77,183	--	--
\$2,000 under \$3,000.....	--	--	--	--	16,734	6,382	166,293	147,470	--	--
\$3,000 under \$4,000.....	--	--	--	--	30,625	13,729	183,165	203,593	--	--
\$4,000 under \$5,000.....	--	--	--	--	25,320	13,350	204,777	302,520	*998	*8,615
\$5,000 under \$6,000.....	--	--	--	--	43,647	25,990	222,159	391,935	*1,997	*29,712
\$6,000 under \$7,000.....	--	--	--	--	52,700	41,167	268,870	546,377	*998	*6,695
\$7,000 under \$8,000.....	--	--	--	--	229,430	224,998	472,259	957,074	--	--
\$8,000 under \$9,000.....	*1,657	*45	--	--	140,717	147,718	376,538	833,735	--	--
\$9,000 under \$10,000.....	*2,647	*246	--	--	84,406	94,027	343,135	797,710	--	--
\$10,000 under \$11,000.....	*1,005	*41	--	--	65,136	74,638	318,900	755,031	--	--
\$11,000 under \$12,000.....	8,976	785	--	--	57,023	63,357	291,439	696,286	*1,005	*4,081
\$12,000 under \$13,000.....	*7,326	*1,518	--	--	66,448	89,654	324,410	766,050	--	--
\$13,000 under \$14,000.....	18,177	776	--	--	52,289	57,145	296,406	726,342	--	--
\$14,000 under \$15,000.....	35,321	5,409	--	--	65,191	67,963	301,192	706,495	--	--
\$15,000 under \$16,000.....	33,982	7,844	*8	*19	45,395	63,725	310,959	704,941	--	--
\$16,000 under \$17,000.....	42,402	13,260	--	--	49,182	65,651	313,081	690,105	--	--
\$17,000 under \$18,000.....	40,678	13,796	--	--	38,383	43,082	310,900	640,305	--	--
\$18,000 under \$19,000.....	43,990	18,547	*302	*94	49,305	51,425	322,762	619,994	--	--
\$19,000 under \$20,000.....	43,604	23,257	*1,005	*504	47,660	42,078	291,299	498,971	--	--
\$20,000 under \$25,000.....	402,086	190,317	29,191	6,852	184,175	135,914	1,389,155	1,780,756	--	--
\$25,000 under \$30,000.....	652,993	248,562	314,955	172,889	119,852	54,117	806,792	466,665	--	--
\$30,000 and over.....	223,997	22,834	173,002	131,850	27,011	5,310	122,106	25,647	--	--

Footnotes at end of table.

Table 2.5--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns with two or more qualifying children									
	Number of returns	Adjusted gross income less deficit	EIC salaries and wages		EIC self-employment income		EIC earned income [1]		Total earned income credit	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
Total.....	9,388,214	176,821,548	8,582,545	157,570,082	2,155,756	16,849,369	9,388,214	174,596,152	9,388,214	25,969,746
No adjusted gross income..	33,940	-1,304,076	22,832	412,269	20,594	15,373	33,940	475,409	33,940	86,872
\$1 under \$1,000	46,347	27,715	44,846	38,042	*3,938	*4,125	46,347	46,139	46,347	17,545
\$1,000 under \$2,000	84,579	127,045	79,972	147,129	8,246	24,208	84,579	215,195	84,579	66,632
\$2,000 under \$3,000	98,170	251,640	91,931	260,273	11,251	12,848	98,170	273,121	98,170	104,075
\$3,000 under \$4,000	109,111	383,403	103,134	375,375	12,552	25,141	109,111	445,188	109,111	158,240
\$4,000 under \$5,000	141,835	641,989	129,812	629,926	24,335	84,995	141,835	714,921	141,835	262,993
\$5,000 under \$6,000	173,187	955,259	160,501	858,531	27,828	177,209	173,187	1,035,740	173,187	388,624
\$6,000 under \$7,000	180,826	1,172,716	161,663	1,040,219	35,796	187,052	180,826	1,235,825	180,826	472,184
\$7,000 under \$8,000	212,604	1,594,949	189,968	1,410,211	45,072	185,449	212,604	1,595,660	212,604	625,525
\$8,000 under \$9,000	243,290	2,064,863	213,719	1,646,008	70,135	383,152	243,290	2,029,160	243,290	793,342
\$9,000 under \$10,000	269,473	2,565,463	228,714	2,008,012	78,888	541,387	269,473	2,549,399	269,473	1,004,502
\$10,000 under \$11,000	366,511	3,860,558	299,221	2,778,755	132,409	995,075	366,511	3,773,830	366,511	1,495,323
\$11,000 under \$12,000	471,136	5,400,812	345,526	3,204,494	229,636	2,086,066	471,136	5,290,559	471,136	2,000,512
\$12,000 under \$13,000	370,689	4,626,476	306,590	3,306,311	132,491	1,231,527	370,689	4,537,839	370,689	1,598,369
\$13,000 under \$14,000	323,562	4,376,083	276,507	3,310,921	103,455	929,424	323,562	4,240,345	323,562	1,385,265
\$14,000 under \$15,000	368,076	5,334,395	326,293	4,235,975	106,223	889,821	368,076	5,125,796	368,076	1,561,528
\$15,000 under \$16,000	336,810	5,217,821	300,275	4,379,638	88,274	741,965	336,810	5,121,603	336,810	1,393,772
\$16,000 under \$17,000	351,613	5,801,116	320,893	5,086,641	72,955	557,057	351,613	5,643,699	351,613	1,410,116
\$17,000 under \$18,000	322,710	5,643,578	299,058	4,982,327	55,706	549,506	322,710	5,531,833	322,710	1,225,271
\$18,000 under \$19,000	342,693	6,343,068	316,273	5,560,989	69,061	631,208	342,693	6,192,197	342,693	1,235,088
\$19,000 under \$20,000	334,882	6,530,215	317,175	5,867,430	63,301	469,750	334,882	6,337,179	334,882	1,139,059
\$20,000 under \$25,000	1,508,467	33,875,023	1,434,992	31,167,627	250,627	2,010,452	1,508,467	33,205,915	1,508,467	4,179,159
\$25,000 under \$30,000	1,372,909	37,577,166	1,315,897	34,277,984	244,948	2,263,505	1,372,909	36,541,489	1,372,909	2,450,719
\$30,000 and over.....	1,324,794	43,754,271	1,296,754	40,584,999	268,036	1,853,074	1,324,794	42,438,114	1,324,794	915,031

Size of adjusted gross income	Returns with two or more qualifying children--continued									
	EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion		Nontaxable combat pay	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)
Total.....	325,322	120,622	77,917	39,911	2,121,557	2,529,937	9,000,293	23,319,188	11,666	176,701
No adjusted gross income..	*14	*9	--	--	14,731	18,152	31,656	68,711	*1,997	*47,767
\$1 under \$1,000	--	--	--	--	*1,623	*469	46,347	17,077	*1,005	*3,972
\$1,000 under \$2,000	--	--	--	--	7,584	2,638	84,579	63,993	*2,003	*43,858
\$2,000 under \$3,000	--	--	--	--	9,602	3,476	97,868	100,599	--	--
\$3,000 under \$4,000	--	--	--	--	12,243	5,984	109,111	152,256	*2,003	*44,672
\$4,000 under \$5,000	--	--	--	--	24,846	15,870	141,532	247,124	--	--
\$5,000 under \$6,000	--	--	--	--	29,425	24,224	172,090	364,400	--	--
\$6,000 under \$7,000	--	--	--	--	35,603	29,999	180,171	442,185	*651	*8,554
\$7,000 under \$8,000	--	--	--	--	43,128	37,321	212,313	588,204	--	--
\$8,000 under \$9,000	--	--	--	--	72,454	62,299	242,922	731,043	--	--
\$9,000 under \$10,000	*1,984	*211	--	--	79,140	88,232	269,466	916,058	--	--
\$10,000 under \$11,000	*1,317	*198	--	--	132,204	164,281	366,208	1,330,845	--	--
\$11,000 under \$12,000	*6,280	*597	--	--	233,310	319,124	471,136	1,680,790	--	--
\$12,000 under \$13,000	*3,978	*902	--	--	131,902	191,265	370,084	1,406,202	--	--
\$13,000 under \$14,000	*998	*527	--	--	104,818	150,159	322,906	1,234,579	--	--
\$14,000 under \$15,000	*998	*642	--	--	100,529	146,490	367,122	1,414,396	--	--
\$15,000 under \$16,000	*2,669	*618	--	--	88,234	132,195	335,196	1,260,959	--	--
\$16,000 under \$17,000	*5,019	*1,707	--	--	69,089	110,721	350,958	1,297,687	--	--
\$17,000 under \$18,000	*6,320	*1,992	--	--	60,772	93,611	321,253	1,129,668	--	--
\$18,000 under \$19,000	*6,691	*2,866	--	--	62,220	112,001	338,519	1,120,221	--	--
\$19,000 under \$20,000	*6,676	*2,867	--	--	60,654	86,317	333,777	1,049,874	--	--
\$20,000 under \$25,000	49,834	22,472	--	--	253,785	360,092	1,441,243	3,796,595	*3,002	*27,836
\$25,000 under \$30,000	82,587	41,849	4,317	2,169	254,810	248,461	1,272,336	2,160,410	--	--
\$30,000 and over	149,957	43,162	73,600	37,742	238,851	126,558	1,121,501	745,310	1,005	41

* Estimate should be used with caution because of the small number of returns on which it is based.

[1] For prior year returns, EIC earned income includes nontaxable earned income.

NOTE: Detail may not add to totals because of rounding

Table 3.1--Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income

[All figures are estimates based on samples--money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income	Modified taxable income	Income tax before credits regular tax computation		Tax generated		Tax differences due to alternative computations	Taxes from special computation		Alternative minimum tax		
				Number of returns	Amount	Number of returns	Amount		Number of returns	Amount	Number of returns	Amount	
Returns with regular tax computation only													
Total.....	81,028,120	3,873,714,906	2,444,393,880	81,028,120	396,300,504	81,028,120	396,026,640	--	*6,428	*9,480	1,403,070	3,168,299	
Under \$5,000	284,018	655,916	213,376	284,018	21,359	284,018	21,359	--	--	--	--	--	
\$5,000 under \$10,000	3,850,619	30,265,084	6,234,107	3,850,619	624,301	3,850,619	624,301	--	--	--	--	--	
\$10,000 under \$15,000	75,940,839	75,940,839	25,065,926	6,039,149	2,528,026	6,039,149	2,528,026	--	--	--	--	--	
\$15,000 under \$20,000	7,579,909	133,408,226	51,372,438	7,579,909	5,599,169	7,579,909	5,599,135	--	--	--	--	--	
\$20,000 under \$25,000	7,938,918	178,151,489	77,692,570	7,938,918	9,086,914	7,938,918	9,085,825	--	--	--	--	--	
\$25,000 under \$30,000	7,454,831	204,755,556	101,719,563	7,454,831	12,367,596	7,454,831	12,367,382	--	--	--	--	--	
\$30,000 under \$40,000	11,841,642	410,821,666	230,261,551	11,841,642	29,119,400	11,841,642	29,117,809	--	--	--	--	--	
\$40,000 under \$50,000	8,663,652	387,660,095	234,970,555	8,663,652	32,144,799	8,663,652	32,144,409	--	--	--	--	--	
\$50,000 under \$75,000	14,015,996	858,089,915	554,408,989	14,015,996	81,055,445	14,015,996	81,044,529	--	--	--	--	--	
\$75,000 under \$100,000	7,076,366	607,498,727	416,381,809	7,076,366	64,200,816	7,076,366	64,182,788	--	--	--	--	--	
\$100,000 under \$200,000	5,506,370	706,093,062	510,629,282	5,506,370	94,578,674	5,506,370	94,511,559	--	--	--	--	--	
\$200,000 under \$500,000	687,214	187,349,327	153,418,079	687,214	38,339,802	687,214	38,285,795	--	--	--	--	--	
\$500,000 under \$1,000,000	67,230	44,280,607	38,370,299	67,230	11,811,280	67,230	11,771,546	--	--	--	--	--	
\$1,000,000 under \$1,500,000	11,573	13,943,949	12,364,256	11,573	4,064,837	11,573	4,046,290	--	--	--	--	--	
\$1,500,000 under \$2,000,000	4,316	7,436,882	6,663,210	4,316	2,242,679	4,316	2,227,404	--	--	--	--	--	
\$2,000,000 under \$5,000,000	5,090	14,501,475	12,974,263	5,090	4,441,339	5,090	4,418,794	--	--	--	--	--	
\$5,000,000 under \$10,000,000	879	5,905,318	5,267,216	879	1,833,448	879	1,822,538	--	--	--	--	--	
\$10,000,000 or more	347	6,956,772	6,386,389	347	2,236,622	347	2,227,150	--	--	--	--	--	
Returns with Form 8615 tax computation													
Total.....	141,612	2,261,298	2,044,016	141,612	443,840	141,612	419,425	-24,414	--	--	3,394	4,901	
Under \$5,000	75,994	206,272	101,986	75,994	14,233	75,994	18,545	4,312	--	--	--	--	
\$5,000 under \$10,000	30,456	204,039	164,320	30,456	18,043	30,456	29,306	11,263	--	--	--	--	
\$10,000 under \$15,000	13,373	156,314	125,666	13,373	15,450	13,373	18,249	2,798	--	--	--	--	
\$15,000 under \$20,000	*4,553	*75,658	*67,482	*4,553	*8,614	*4,553	*14,033	*5,419	--	--	*651	*364	
\$20,000 under \$25,000	*3,213	*69,553	*106,814	*3,213	*8,887	*3,213	*14,336	*5,449	--	--	*1,274	*1,244	
\$25,000 under \$30,000	*3,240	*89,075	*85,178	*3,240	*11,754	*3,240	*18,576	*6,821	--	--	*651	*1,029	
\$30,000 under \$40,000	*2,549	*90,498	*81,722	*2,549	*12,425	*2,549	*17,239	*4,814	--	--	--	--	
\$40,000 under \$50,000	*1,872	*81,723	*65,922	*1,872	*10,764	*1,872	*14,354	*3,590	--	--	*624	*2,030	
\$50,000 under \$75,000	*2,528	*159,451	*152,463	*2,528	*29,939	*2,528	*27,754	*2,185	--	--	--	--	
\$75,000 under \$100,000	*624	*47,247	*46,348	*624	*9,548	*624	*13,259	*3,710	--	--	--	--	
\$100,000 under \$200,000	*1,549	*220,539	*218,571	*1,549	*44,966	*1,549	*33,637	*11,329	--	--	--	--	
\$200,000 under \$500,000	1,228	356,176	338,669	1,228	96,553	1,228	75,326	*21,227	--	--	*141	*82	
\$500,000 under \$1,000,000	*305	*201,414	*196,085	*305	*62,680	*305	*54,636	*8,044	--	--	*41	*16	
\$1,000,000 under \$1,500,000	*82	*103,546	*101,609	*82	*33,970	*82	*28,066	*5,904	--	--	*8	*57	
\$1,500,000 under \$2,000,000	*16	*25,514	*23,144	*16	*7,785	*16	*3,477	*4,307	--	--	*44	*79	
\$2,000,000 under \$5,000,000	*19	*67,226	*63,402	*19	*21,829	*19	*17,161	*4,667	--	--	*4	*79	
\$5,000,000 under \$10,000,000	*8	*54,147	*53,603	*8	*18,603	*8	*9,525	*9,078	--	--	*4	*79	
\$10,000,000 or more	*3	*52,845	*51,011	*3	*17,795	*3	*11,946	*5,850	--	--	--	--	
Returns with Schedule D tax computation													
Total.....	21,677,179	3,165,836,827	2,002,785,786	21,677,179	648,370,905	21,677,179	556,720,072	-91,650,833	3,229	13,583	2,483,725	12,135,176	
Under \$5,000	138,271	415,758	104,110	138,271	19,243	138,271	14,837	-4,407	--	--	--	--	
\$5,000 under \$10,000	289,597	2,185,887	500,746	289,597	82,031	289,597	65,888	-16,143	--	--	*651	*265	
\$10,000 under \$15,000	514,733	6,537,806	1,593,516	514,733	222,687	514,733	189,952	-32,735	--	--	--	--	
\$15,000 under \$20,000	612,188	10,823,078	3,534,748	612,188	477,144	612,188	418,206	-58,938	--	--	--	--	
\$20,000 under \$25,000	738,478	16,676,505	6,054,422	738,478	848,330	738,478	755,385	-92,945	--	--	--	--	
\$25,000 under \$30,000	786,326	21,674,042	9,124,350	786,326	1,330,149	786,326	1,181,694	-148,455	--	--	*625	*1,256	
\$30,000 under \$40,000	1,627,410	56,963,234	28,063,366	1,627,410	3,992,041	1,627,410	3,656,318	-335,723	--	--	*332	*332	
\$40,000 under \$50,000	1,745,402	78,469,539	43,454,248	1,745,402	6,727,356	1,745,402	6,217,918	-509,438	--	--	*2,222	*8,362	
\$50,000 under \$75,000	4,126,681	256,898,162	155,464,139	4,126,681	26,026,832	4,126,681	24,312,251	-1,714,581	--	--	21,397	22,907	
\$75,000 under \$100,000	3,280,362	284,929,749	183,174,567	3,280,362	32,201,106	3,280,362	30,273,964	-1,927,143	--	--	45,744	86,219	
\$100,000 under \$200,000	5,148,904	703,492,893	473,455,595	5,148,904	103,374,429	5,148,904	96,938,906	-6,435,523	--	--	725,600	1,384,987	
\$200,000 under \$500,000	1,976,715	579,146,582	401,837,410	1,976,715	125,508,287	1,976,715	112,396,952	-13,111,335	--	--	1,466,044	6,942,937	
\$500,000 under \$1,000,000	433,693	294,471,834	204,285,686	433,693	81,225,172	433,693	70,387,989	-10,837,163	--	--	168,649	1,874,066	
\$1,000,000 under \$1,500,000	108,253	131,088,077	89,418,380	108,253	38,821,657	108,253	33,221,144	-5,600,513	--	--	24,106	423,780	
\$1,500,000 under \$2,000,000	48,490	83,491,160	54,396,276	48,490	25,438,981	48,490	21,234,478	-4,204,503	--	--	10,308	248,883	
\$2,000,000 under \$5,000,000	72,054	214,911,504	134,553,003	72,054	67,247,286	72,054	54,962,574	-12,284,712	--	--	13,174	473,106	
\$5,000,000 under \$10,000,000	18,189	124,677,131	71,839,435	18,189	39,775,810	18,189	31,286,880	-8,488,930	--	--	2,941	210,730	
\$10,000,000 or more	11,433	298,983,883	141,931,790	11,433	95,052,365	11,433	69,204,737	-25,847,628	--	--	1,932	457,354	

Footnotes at end of table.

Table 3.1--Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Income tax before credits			Total tax credits			Income tax after credits			Total income tax		
	Number of returns	Amount	(13)	Number of returns	Amount	(16)	Number of returns	Amount	(18)	Number of returns	Amount	As a percentage of Modified taxable income
Returns with regular tax computation only												
Total	81,028,120	399,204,419		32,736,746	38,897,185		68,088,352	360,307,234		68,088,352	360,307,296	14.7
Under \$5,000	284,018	21,350		1,663	57,943		284,011	21,354		284,011	21,354	10.0
\$5,000 under \$10,000	3,850,619	624,384		649,577	57,943		3,292,877	566,441		3,292,877	566,441	9.1
\$10,000 under \$15,000	6,039,149	2,528,826		1,598,944	313,459		5,144,181	2,215,367		5,144,181	2,215,367	8.8
\$15,000 under \$20,000	7,579,909	5,959,135		2,950,714	1,042,169		5,294,877	4,596,966		5,294,877	4,596,966	8.9
\$20,000 under \$25,000	7,938,918	9,092,701		3,811,553	2,148,784		5,123,970	6,943,917		5,123,970	6,943,917	8.9
\$25,000 under \$30,000	12,367,422	12,367,422		3,428,430	2,771,052		5,099,305	9,596,370		5,099,305	9,596,370	9.4
\$30,000 under \$40,000	11,841,642	19,125,425		4,928,361	5,246,973		7,636,516	23,878,452		7,636,516	23,878,452	10.4
\$40,000 under \$50,000	8,663,652	32,154,671		3,783,734	5,094,701		7,059,970	27,059,970		7,059,970	27,059,970	11.5
\$50,000 under \$75,000	14,015,996	81,140,921		6,052,142	10,907,934		13,395,729	70,232,988		13,395,729	70,232,988	12.7
\$75,000 under \$100,000	7,076,366	64,336,015		3,523,617	6,780,504		7,001,585	57,555,511		7,001,585	57,555,511	13.8
\$100,000 under \$200,000	5,506,370	95,661,088		2,068,187	3,295,088		5,495,119	92,366,010		5,495,119	92,366,010	18.1
\$200,000 under \$500,000	687,214	39,859,700		99,554	575,087		686,265	39,284,613		686,265	39,284,613	25.6
\$500,000 under \$1,000,000	67,230	11,913,429		14,594	248,749		67,061	11,664,680		67,061	11,664,680	30.4
\$1,000,000 under \$1,500,000	11,573	4,055,553		2,789	97,845		11,538	3,957,708		11,538	3,957,708	32.0
\$1,500,000 under \$2,000,000	4,316	2,235,303		1,183	77,595		4,304	2,157,708		4,304	2,157,708	32.0
\$2,000,000 under \$5,000,000	5,090	4,430,840		1,307	99,821		5,067	4,331,019		5,067	4,331,019	33.4
\$5,000,000 under \$10,000,000	879	1,824,393		275	37,111		879	1,787,282		879	1,787,282	33.9
\$10,000,000 or more	347	2,233,243		122	102,365		346	2,130,879		346	2,130,879	33.4
Returns with Form 8815 tax computation												
Total	141,612	424,327		43,915	6,664		141,602	417,662		141,602	417,662	20.4
Under \$5,000	75,994	18,545		22,411	1,267		75,994	17,278		75,994	17,278	16.9
\$5,000 under \$10,000	30,456	29,306		11,253	974		30,456	28,332		30,456	28,332	17.2
\$10,000 under \$15,000	13,373	18,249		5,456	1,170		13,373	16,079		13,373	16,079	14.4
\$15,000 under \$20,000	4,553	15,580		1,438	77		4,553	14,389		4,553	14,389	21.3
\$20,000 under \$25,000	3,213	15,580		638	111		3,213	15,569		3,213	15,569	14.6
\$25,000 under \$30,000	3,240	19,605		638	1,013		3,240	18,581		3,240	18,581	21.8
\$30,000 under \$40,000	2,549	16,384		624	1,239		2,549	17,239		2,549	17,239	21.1
\$40,000 under \$50,000	1,872	27,754		656	46		1,872	27,708		1,872	27,708	24.8
\$50,000 under \$75,000	2,528	13,259		624	25		2,528	13,259		2,528	13,259	28.6
\$75,000 under \$100,000	624	33,637		1,249	577		624	33,612		624	33,612	15.4
\$100,000 under \$200,000	1,549	75,408		304	1,099		1,549	74,832		1,549	74,832	22.1
\$200,000 under \$500,000	1,228	54,652		305	484		1,228	53,553		1,228	53,553	27.3
\$500,000 under \$1,000,000	305	28,124		65	16		304	27,640		304	27,640	27.2
\$1,000,000 under \$1,500,000	82	3,477		12	66		82	3,477		82	3,477	15.0
\$1,500,000 under \$2,000,000	16	17,220		12	913		16	17,155		16	17,155	27.1
\$2,000,000 under \$5,000,000	19	9,545		6	93		19	8,632		19	8,632	16.1
\$5,000,000 under \$10,000,000	8	11,946		3	9		8	11,937		8	11,937	23.4
\$10,000,000 or more	3			3			3			3		
Returns with Schedule D tax computation												
Total	21,677,179	568,868,831		8,968,732	15,892,797		21,008,924	552,976,035		21,008,924	552,976,388	27.6
Under \$5,000	138,271	14,837		16,033	450		136,345	14,387		136,345	14,387	13.8
\$5,000 under \$10,000	289,597	66,153		68,857	2,602		269,394	63,551		269,394	63,551	12.7
\$10,000 under \$15,000	514,733	189,952		136,456	26,136		460,923	163,816		460,923	163,816	10.3
\$15,000 under \$20,000	612,188	418,205		184,723	46,100		558,019	372,106		558,019	372,106	10.5
\$20,000 under \$25,000	738,478	755,385		258,651	79,732		666,057	675,653		666,057	675,653	11.2
\$25,000 under \$30,000	786,326	1,182,951		246,073	114,823		699,312	1,068,127		699,312	1,068,127	11.7
\$30,000 under \$40,000	1,627,410	3,656,641		548,516	312,901		1,492,294	3,343,739		1,492,294	3,343,739	11.9
\$40,000 under \$50,000	1,745,402	6,226,280		686,113	490,412		1,637,422	5,735,867		1,637,422	5,735,867	13.2
\$50,000 under \$75,000	4,126,681	24,335,158		1,646,326	1,924,506		4,017,206	22,410,653		4,017,206	22,410,653	14.4
\$75,000 under \$100,000	3,280,362	30,360,769		1,565,204	2,168,805		3,263,446	28,191,964		3,263,446	28,191,964	15.4
\$100,000 under \$200,000	5,148,904	96,325,124		2,344,952	3,214,688		5,141,567	96,010,436		5,141,567	96,010,436	20.3
\$200,000 under \$500,000	1,976,715	119,351,597		841,572	1,489,810		1,975,365	117,861,787		1,975,365	117,861,787	29.3
\$500,000 under \$1,000,000	433,693	72,262,056		250,532	1,220,948		433,371	71,041,107		433,371	71,041,108	34.8
\$1,000,000 under \$1,500,000	108,253	33,644,935		69,021	768,491		108,169	32,876,445		108,169	32,876,445	25.1
\$1,500,000 under \$2,000,000	48,490	21,483,366		31,900	513,446		48,456	20,969,920		48,456	20,969,920	36.6
\$2,000,000 under \$5,000,000	72,054	55,435,661		51,006	788,959		71,986	53,900,305		71,986	53,900,305	40.1
\$5,000,000 under \$10,000,000	18,189	31,497,651		13,615	2,094,611		18,166	30,708,692		18,166	30,708,692	42.7
\$10,000,000 or more	11,433	69,662,091		9,182			11,424	67,567,479		11,424	67,567,539	47.6

* Estimate should be used with caution due to the small number of sample returns on which it is based

**Data combined to avoid disclosure of information for specific taxpayers

[1] See section 4 for the definition of modified taxable income

NOTE: Detail may not add to totals because of rounding

Table 3.2--Returns with Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income
(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income									
	Total			Under 5 percent			5 under 7 percent			Total income tax
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
All returns										
Total.....	90,851,494	6,856,723,096	934,835,769	26,791,437	843,183,069	24,301,796	12,901,640	574,512,911	34,774,062	
Under \$5,000.....	1,076,489	-4,590,661	206,165	672,574	1,667,971	32,713	74,093	189,754	11,416	
\$5,000 under \$10,000.....	3,710,338	28,358,319	673,689	3,611,841	27,648,215	606,195	34,941	257,823	14,750	
\$10,000 under \$15,000.....	5,752,740	71,728,137	2,418,514	4,929,950	61,819,633	1,803,531	697,521	8,155,638	474,888	
\$15,000 under \$20,000.....	5,988,457	105,047,337	4,967,119	4,929,950	47,109,038	1,342,232	2,897,040	52,094,241	3,135,264	
\$20,000 under \$25,000.....	5,886,278	132,098,628	7,663,320	1,996,013	44,757,391	1,036,902	733,524	16,198,964	997,939	
\$25,000 under \$30,000.....	5,858,233	161,375,547	10,707,197	2,009,023	55,406,498	1,566,215	485,392	13,335,779	807,735	
\$30,000 under \$40,000.....	11,106,472	386,912,319	27,284,639	3,378,348	116,504,427	3,422,624	1,951,932	69,645,276	4,144,423	
\$40,000 under \$50,000.....	9,325,210	418,057,612	32,877,218	2,269,074	101,753,489	2,785,525	1,501,826	66,838,405	4,103,789	
\$50,000 under \$75,000.....	17,491,819	1,077,176,944	92,824,047	3,621,077	220,074,589	6,593,059	2,579,575	159,668,501	9,640,764	
\$75,000 under \$100,000.....	10,329,339	890,290,583	85,986,486	1,175,169	99,411,607	3,294,965	1,536,892	131,233,469	7,988,746	
\$100,000 under \$200,000.....	10,767,383	1,425,107,929	189,468,358	1,330,728	39,546,081	2,128,548	391,503	45,289,046	2,755,853	
\$200,000 or more.....	3,588,736	2,165,160,401	479,759,018	40,190	27,454,130	599,287	17,401	11,606,014	698,694	
Joint returns										
Total.....	40,157,930	4,697,594,522	671,177,610	10,609,191	534,700,069	15,479,730	5,829,425	383,258,754	23,194,718	
Under \$5,000.....	79,634	-4,379,679	103,058	--	--	--	--	--	--	
\$5,000 under \$10,000.....	*1,058	*7,652	*2,334	--	--	--	*655	*4,538	*238	
\$10,000 under \$15,000.....	*670	*9,150	*277	*656	*8,965	*56	--	*124	*7	
\$15,000 under \$20,000.....	557,644	10,364,546	72,305	557,611	10,363,999	71,780	*8	*22,770	*1,285	
\$20,000 under \$25,000.....	1,061,950	23,788,504	458,411	1,059,886	23,742,998	448,882	*1,005	*25,394	*1,534	
\$25,000 under \$30,000.....	1,081,465	29,794,695	903,197	1,080,447	29,768,710	901,303	*997	38,092,112	2,244,576	
\$30,000 under \$40,000.....	2,826,553	99,606,233	4,096,184	1,776,411	61,243,568	1,831,481	1,043,343	37,018,861	7,844,762	
\$40,000 under \$50,000.....	3,597,071	161,931,570	8,315,362	1,568,609	70,691,462	1,857,167	830,988	130,072,039	7,737,838	
\$50,000 under \$75,000.....	10,605,815	663,305,710	44,267,633	3,125,238	190,932,861	5,691,300	2,075,164	127,125,734	2,625,973	
\$75,000 under \$100,000.....	8,185,559	707,387,421	59,890,621	1,110,347	93,994,461	3,144,961	1,488,474	43,173,123	467,024	
\$100,000 under \$200,000.....	9,161,709	1,214,507,677	154,053,096	301,630	35,767,224	1,125,807	375,534	7,724,058		
\$200,000 or more.....	3,008,801	1,791,271,044	399,015,122	28,356	18,185,820	406,994	13,256			
Single returns										
Total.....	41,988,457	1,661,547,189	208,799,745	12,880,446	192,213,139	5,592,097	5,547,392	126,455,921	7,667,358	
Under \$5,000.....	900,422	509,952	88,494	670,381	1,659,154	32,613	74,093	189,754	11,416	
\$5,000 under \$10,000.....	3,658,652	27,914,542	665,846	3,561,216	27,212,110	600,721	34,286	253,285	14,512	
\$10,000 under \$15,000.....	5,558,886	69,202,163	2,358,848	5,938,848	59,358,772	1,748,696	695,214	8,129,440	472,989	
\$15,000 under \$20,000.....	5,057,205	88,133,232	4,648,048	1,937,563	32,202,908	1,155,935	2,809,155	50,513,752	3,039,605	
\$20,000 under \$25,000.....	4,368,370	97,950,792	6,726,414	661,595	14,783,377	1,175,006	675,596	14,874,508	918,612	
\$25,000 under \$30,000.....	3,984,125	109,553,013	8,842,684	457,425	12,516,286	363,889	331,519	9,076,353	557,914	
\$30,000 under \$40,000.....	6,129,864	212,329,731	19,384,190	446,025	15,290,464	472,281	484,969	16,770,780	1,021,585	
\$40,000 under \$50,000.....	4,121,100	183,680,787	19,913,192	176,627	7,798,442	242,224	226,063	10,043,188	619,007	
\$50,000 under \$75,000.....	4,947,986	297,394,594	38,598,878	164,835	9,784,562	299,490	177,626	10,421,322	634,189	
\$75,000 under \$100,000.....	1,597,867	136,446,827	20,466,205	35,497	2,953,544	80,731	22,368	1,931,023	114,588	
\$100,000 under \$200,000.....	1,229,395	162,353,517	27,737,864	19,090	2,620,823	61,311	13,122	1,781,991	110,045	
\$200,000 or more.....	434,586	276,078,040	59,369,082	8,942	6,032,697	117,199	3,382	2,470,524	152,897	

Footnotes at end of table.

Table 3.2--Returns with Total Income Tax: Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income
--Continued
 (All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income--continued									
	7 under 10 percent			10 under 12 percent			12 under 15 percent			Total income tax
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
All returns										
Total.....	22,606,817	1,193,659,129	102,723,436	10,040,305	726,098,937	79,266,830	9,386,609	1,020,439,591	138,177,291	
Under \$5,000.....	48,115	167,423	13,191	*6,216	*22,310	*2,447	*4,317	*12,490	*1,661	
\$5,000 under \$10,000.....	36,910	271,178	22,870	*4,915	*32,672	*3,601	12,072	82,378	10,638	
\$10,000 under \$15,000.....	113,811	1,614,617	118,957	*4,671	*58,887	*6,565	*3,607	*42,705	*5,911	
\$15,000 under \$20,000.....	323,435	5,659,540	462,391	*5,606	*102,392	*11,357	*2,957	*48,577	*6,371	
\$20,000 under \$25,000.....	3,115,552	70,194,897	5,514,426	35,255	818,704	84,448	*1,656	*36,639	*4,877	
\$25,000 under \$30,000.....	3,320,227	91,442,468	8,190,287	37,740	1,031,154	112,114	*2,582	*71,006	*9,176	
\$30,000 under \$40,000.....	2,832,042	95,517,068	8,567,456	2,928,502	104,662,799	11,062,532	13,568	509,532	65,751	
\$40,000 under \$50,000.....	2,573,914	115,908,967	9,489,764	1,160,372	50,505,234	5,661,415	1,812,945	82,703,967	10,768,497	
\$50,000 under \$75,000.....	5,720,253	350,911,275	30,408,302	1,890,327	121,587,712	12,983,200	2,105,586	124,784,495	17,019,570	
\$75,000 under \$100,000.....	2,985,476	256,566,748	21,948,114	2,123,068	182,239,933	20,013,279	1,459,310	130,484,706	17,134,548	
\$100,000 under \$200,000.....	1,485,707	175,284,359	15,366,351	1,766,790	216,524,229	23,958,805	3,703,826	487,166,114	66,049,121	
\$200,000 or more.....	51,375	30,120,588	2,621,327	76,842	48,532,911	5,367,066	264,183	194,516,981	27,101,171	
Joint returns										
Total.....	10,004,386	768,480,724	66,010,287	4,483,019	466,140,526	50,956,621	4,524,537	682,815,827	92,441,123	
Under \$5,000.....	—	—	—	—	—	—	—	—	—	
\$5,000 under \$10,000.....	—	—	—	—	—	—	—	—	—	
\$10,000 under \$15,000.....	—	—	—	—	—	—	—	—	—	
\$15,000 under \$20,000.....	—	—	—	*8	*128	*15	—	—	—	
\$20,000 under \$25,000.....	*3	*66	*5	—	—	—	—	—	—	
\$25,000 under \$30,000.....	—	—	—	*3	*80	*8	*6	*180	*26	
\$30,000 under \$40,000.....	6,723	267,723	19,169	*47	*1,751	*180	—	—	—	
\$40,000 under \$50,000.....	1,187,417	54,218,568	4,180,447	—	—	—	—	—	—	
\$50,000 under \$75,000.....	4,539,537	281,838,138	24,483,283	865,639	60,438,476	6,242,430	*136	*9,647	*1,166	
\$75,000 under \$100,000.....	2,808,636	241,704,894	20,646,068	1,885,018	162,084,193	17,766,953	890,419	82,259,824	10,541,768	
\$100,000 under \$200,000.....	1,421,301	167,229,664	14,658,684	1,666,042	204,131,311	22,575,950	3,419,735	451,545,606	61,185,127	
\$200,000 or more.....	40,771	23,221,670	2,022,630	66,363	39,504,587	4,371,084	214,241	149,000,571	20,713,036	
Single returns										
Total.....	10,632,679	330,723,320	28,697,412	4,842,924	215,997,297	23,501,688	4,288,136	283,164,911	38,374,778	
Under \$5,000.....	48,115	167,423	13,191	*6,216	*22,310	*2,447	*4,317	*12,490	*1,661	
\$5,000 under \$10,000.....	36,910	271,178	22,870	*4,915	*32,672	*3,601	12,072	82,378	10,638	
\$10,000 under \$15,000.....	110,986	1,575,978	116,077	*4,671	*58,887	*6,565	*3,607	*42,705	*5,911	
\$15,000 under \$20,000.....	301,971	5,268,935	429,537	*3,607	*65,806	*7,598	*2,957	*48,577	*6,371	
\$20,000 under \$25,000.....	2,997,723	67,524,213	5,302,009	28,581	662,713	67,711	*1,656	*36,639	*4,877	
\$25,000 under \$30,000.....	3,157,074	86,924,405	7,794,956	32,275	876,831	95,430	*2,576	*70,827	*9,150	
\$30,000 under \$40,000.....	2,408,498	80,505,284	7,327,914	2,780,716	99,404,937	10,504,477	*7,648	*287,388	*37,054	
\$40,000 under \$50,000.....	897,045	39,507,108	3,430,445	1,080,783	46,956,297	5,277,354	1,736,533	79,195,863	10,308,893	
\$50,000 under \$75,000.....	538,504	31,318,861	2,718,731	684,757	40,183,175	4,455,318	1,895,293	111,240,959	15,243,185	
\$75,000 under \$100,000.....	86,437	7,318,123	642,548	133,874	11,391,234	1,268,245	397,286	33,548,793	4,614,482	
\$100,000 under \$200,000.....	41,687	5,288,209	457,858	73,320	9,216,327	1,027,235	180,618	23,227,579	3,156,794	
\$200,000 or more.....	7,731	5,053,603	441,277	9,208	7,126,108	785,706	43,574	35,370,712	4,975,762	

Footnotes at end of table.

Table 3.2--Returns with Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income
--Continued
 (All figures are estimates based on samples--money amounts are in thousands of dollars)

Total income tax as a percentage of adjusted gross income--continued									
Size of adjusted gross income	15 under 17 percent			17 under 25 percent			25 under 30 percent		
	Number of returns (19)	Adjusted gross income less deficit (20)	Total income tax (21)	Number of returns (22)	Adjusted gross income less deficit (23)	Total income tax (24)	Number of returns (25)	Adjusted gross income less deficit (26)	Total income tax (27)
All returns									
Total.....	3,847,066	609,114,144	96,990,141	4,201,033	1,082,200,361	220,824,290	676,983	500,436,924	136,815,838
Under \$5,000	*2,953	*9,773	*1,557	*4,554	*18,903	*3,613	--	--	--
\$5,000 under \$10,000.....	*1,939	*13,568	*2,131	*5,494	*37,202	*8,084	*1,828	*12,220	*3,309
\$10,000 under \$15,000.....	*651	*7,549	*1,233	*1,664	*18,122	*3,875	--	--	--
\$15,000 under \$20,000.....	*659	*9,974	*1,590	--	--	--	--	--	--
\$20,000 under \$25,000	--	--	--	*1,925	*40,502	*7,381	*1,643	*34,751	*9,788
\$25,000 under \$30,000.....	*651	*17,911	*2,889	*1,274	*33,884	*6,651	*651	*19,291	*5,277
\$30,000 under \$40,000.....	*698	*24,297	*3,874	*624	*24,900	*4,766	--	--	--
\$40,000 under \$50,000.....	*5,545	*251,656	*40,203	--	--	--	--	--	--
\$50,000 under \$75,000.....	1,334,398	83,107,648	13,204,563	240,534	17,058,139	2,970,414	*16	*1,207	*326
\$75,000 under \$100,000.....	470,496	40,244,901	6,424,384	577,179	49,987,987	9,138,913	*1,281	*103,336	*27,420
\$100,000 under \$200,000.....	1,688,381	247,925,134	39,475,407	1,391,713	211,948,945	40,249,871	7,222	1,213,301	314,840
\$200,000 or more.....	340,697	237,501,732	37,832,307	1,976,071	803,031,777	168,430,723	664,342	499,052,818	136,454,879
Joint returns									
Total.....	1,693,750	398,445,827	63,459,249	2,312,459	798,028,622	164,238,461	521,007	415,821,661	113,699,876
Under \$5,000	*3	*4	*1	--	--	--	--	*72	*20
\$5,000 under \$10,000.....	--	--	--	--	--	--	--	--	--
\$10,000 under \$15,000.....	--	--	--	*8	*116	*20	--	--	--
\$15,000 under \$20,000.....	*8	*126	*19	--	--	--	--	--	--
\$20,000 under \$25,000.....	--	--	--	--	--	--	*1,005	*21,535	*6,151
\$25,000 under \$30,000.....	--	--	--	--	--	--	--	--	--
\$30,000 under \$40,000.....	*6	*223	*37	--	--	--	--	--	--
\$40,000 under \$50,000.....	--	--	--	--	--	--	--	--	--
\$50,000 under \$75,000.....	--	--	--	*150	*11,152	*2,193	*16	*1,207	*326
\$75,000 under \$100,000.....	*877	*78,027	*12,357	1,114	103,181	23,194	*357	*31,164	*7,891
\$100,000 under \$200,000.....	1,407,159	213,108,585	33,878,294	568,409	99,250,296	17,910,287	1,152	196,376	51,378
\$200,000 or more.....	285,697	185,258,861	29,568,542	1,742,778	698,663,878	146,302,767	518,468	415,571,307	113,634,111
Single returns									
Total.....	1,910,789	177,723,445	28,288,503	1,649,486	232,820,345	46,135,175	120,005	62,414,267	17,045,201
Under \$5,000	*2,950	*9,768	*1,557	*4,554	*18,903	*3,613	--	--	--
\$5,000 under \$10,000.....	*1,939	*13,568	*2,131	*5,494	*37,202	*8,084	*1,820	*12,148	*3,289
\$10,000 under \$15,000.....	*651	*7,549	*1,233	*1,656	*18,005	*3,855	--	--	--
\$15,000 under \$20,000.....	*651	*9,848	*1,571	--	--	--	--	--	--
\$20,000 under \$25,000.....	--	--	--	*1,925	*40,502	*7,381	*638	*13,216	*3,638
\$25,000 under \$30,000.....	*651	*17,911	*2,889	*1,274	*33,884	*6,651	*651	*19,291	*5,277
\$30,000 under \$40,000.....	*651	*22,813	*3,642	*624	*24,900	*4,766	--	--	--
\$40,000 under \$50,000.....	*3,241	*146,213	*23,627	--	--	--	--	--	--
\$50,000 under \$75,000.....	1,261,762	78,486,052	12,471,960	225,201	15,959,106	2,774,713	--	--	--
\$75,000 under \$100,000.....	383,446	32,641,643	5,215,100	537,882	46,578,341	8,504,467	*924	*72,172	*19,529
\$100,000 under \$200,000.....	208,029	25,736,482	4,143,819	690,389	93,959,723	18,642,980	3,031	505,505	130,440
\$200,000 or more.....	46,820	40,631,596	6,420,973	180,486	76,149,779	16,178,666	112,942	61,791,935	16,883,028

Footnotes at end of table.

Table 3.2--Returns with Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income
--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income—continued									
	30 under 50 percent			50 under 100 percent			100 percent or more			
	Number of returns (28)	Adjusted gross income less deficit (29)	Total income tax (30)	Number of returns (31)	Adjusted gross income less deficit (32)	Total income tax (33)	Number of returns (34)	Adjusted gross income less deficit (35)	Total income tax (36)	
All returns	133,551	313,119,953	100,390,225	2,099	622,198	405,359	263,954	-6,664,121	166,502	
	—	—	—	*31	*66	*43	263,636	-6,679,352	139,524	
	*3	*24	*11	*379	*2,927	*1,649	*15	*110	*450	
	*859	*10,918	*3,552	—	—	—	*6	*69	*200	
	*1,301	*23,405	*7,432	*3	*59	*53	*6	*110	*430	
	*651	*15,497	*5,104	*9	*199	*123	*49	*1,085	*2,331	
	*657	*16,514	*5,458	—	—	—	*37	*1,042	*1,396	
	*636	*19,654	*6,525	—	—	—	*121	*4,367	*6,686	
	*1,481	*63,344	*21,805	*6	*274	*144	*47	*2,275	*6,078	
	*36	*2,242	*907	*10	*689	*506	*8	*447	*2,435	
	*312	*25,592	*8,631	*144	*11,351	*6,393	*12	*953	*1,092	
	1,381	194,137	68,338	*121	*14,958	*9,163	*11	*1,625	*2,062	
	126,234	312,748,626	100,262,462	1,395	591,675	387,283	*6	*3,148	*3,818	
	Joint returns	99,060	253,830,064	81,283,956	1,296	443,092	293,832	79,798	-4,370,644	119,757
		—	—	—	[1]	[1]	[1]	[1]	[1]	[1]
		*3	*24	*11	[1]	[1]	[1]	[1]	[1]	[1]
—		—	—	—	—	—	*6	*69	*200	
—		—	—	*3	*59	*53	*6	*110	*430	
—		—	—	*3	*73	*47	*48	*1,063	*2,042	
*6		*167	*51	—	—	—	*6	*164	*275	
*9		*355	*122	[1]	[1]	[1]	[1]	[1]	[1]	
*3		*129	*47	*6	*274	*144	*47	*2,275	*6,078	
*24		*1,610	*618	[1]	[1]	[1]	[1]	[1]	[1]	
*301		*24,653	*8,313	*4	*337	*196	*12	*953	*1,092	
623		90,247	32,046	[1]	[1]	[1]	[1]	[1]	[1]	
98,089		253,712,878	81,242,748	[1]	[1]	[1]	[1]	[1]	[1]	
Single returns		25,888	41,419,618	13,354,492	799	178,693	111,133	89,912	-1,563,767	31,909
		—	—	—	[1]	[1]	[1]	[1]	[1]	[1]
		—	—	—	[1]	[1]	[1]	[1]	[1]	[1]
	*851	*10,826	*3,522	—	—	—	—	—	—	
	*1,301	*23,405	*7,432	—	—	—	—	—	—	
	*651	*15,497	*5,104	*6	*126	*77	—	—	—	
	*651	*16,346	*5,408	—	—	—	*31	*879	*1,121	
	*627	*19,298	*6,403	[1]	[1]	[1]	[1]	[1]	[1]	
	*808	*33,676	*11,643	—	—	—	—	—	—	
	*3	*217	*105	[1]	[1]	[1]	[1]	[1]	[1]	
	*11	*939	*317	*140	*11,014	*6,197	—	—	—	
	*102	*15,737	*5,899	[1]	[1]	[1]	[1]	[1]	[1]	
	20,883	41,283,676	13,308,659	[1]	[1]	[1]	[1]	[1]	[1]	

* Estimate should be used with caution due to the small number of sample returns on which it is based

[1] Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in appropriate totals.

NOTE: Detail may not add to totals because of rounding.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	All returns	Tax credits									
		Total		Child care credit		Credit for the elderly and disabled		Child tax credit			
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
All returns, total.....	134,372,678	42,246,181	55,316,421	6,500,596	3,462,104	101,627	14,127	25,950,568	32,047,620		
No adjusted gross income.....	1,761,041	3,786	4,091	* 108	* 149	158	111	2,824	2,306		
\$1 under \$5,000.....	11,476,415	101,525	3,195	--	--	--	--	* 1,216	* 317		
\$5,000 under \$10,000.....	12,114,236	761,034	64,462	* 658	* 9	8,865	447	* 2,604	* 306		
\$10,000 under \$15,000.....	11,635,684	1,776,912	342,094	49,041	5,340	49,984	9,433	311,217	32,538		
\$15,000 under \$20,000.....	11,126,599	3,185,742	1,093,666	291,343	92,892	33,636	2,806	1,439,228	416,382		
\$20,000 under \$25,000.....	9,784,167	4,100,068	2,231,530	425,988	219,324	8,983	1,329	2,077,679	1,100,492		
\$25,000 under \$30,000.....	8,738,107	3,520,838	2,890,610	459,919	286,670	--	--	2,238,914	1,627,712		
\$30,000 under \$40,000.....	13,940,405	5,514,036	5,570,977	819,161	508,276	--	--	3,763,159	3,754,835		
\$40,000 under \$50,000.....	10,618,506	4,500,971	5,596,424	633,919	338,043	--	--	3,136,129	4,209,134		
\$50,000 under \$75,000.....	18,351,037	7,739,447	12,860,837	1,402,429	731,705	--	--	6,200,813	10,124,678		
\$75,000 under \$100,000.....	10,449,989	5,123,992	8,977,546	1,032,949	546,877	--	--	3,945,548	6,828,200		
\$100,000 under \$200,000.....	10,810,367	4,472,724	5,666,351	1,159,486	610,620	--	--	2,830,288	3,950,215		
\$200,000 under \$500,000.....	2,737,802	972,359	2,105,355	194,058	103,274	--	--	949	504		
\$500,000 under \$1,000,000.....	524,506	277,210	1,505,507	** 31,535	** 18,924	--	--	--	--		
\$1,000,000 under \$1,500,000.....	127,925	86,675	886,754	**	**	--	--	--	--		
\$1,500,000 under \$2,000,000.....	56,615	35,443	606,336	**	**	--	--	--	--		
\$2,000,000 under \$5,000,000.....	84,070	56,941	1,683,765	**	**	--	--	--	--		
\$5,000,000 under \$10,000,000.....	21,431	15,583	861,474	**	**	--	--	--	--		
\$10,000,000 or more.....	13,776	10,884	2,365,446	**	**	--	--	--	--		
Taxable returns, total.....	90,593,081	28,493,298	42,917,160	4,370,642	2,234,271	54,757	8,428	16,309,847	24,390,378		
No adjusted gross income.....	4,882	1,484	2,607	* 5	* 3	149	106	919	1,585		
\$1 under \$5,000.....	813,194	85,001	2,416	--	--	--	--	* 38	* 115		
\$5,000 under \$10,000.....	3,710,338	170,163	15,429	--	--	* 1,013	* 24	--	--		
\$10,000 under \$15,000.....	5,752,740	811,595	93,571	--	--	26,269	5,531	* 670	* 12		
\$15,000 under \$20,000.....	5,988,457	824,104	184,434	* 1,997	* 2,007	20,353	1,826	* 16	* 24		
\$20,000 under \$25,000.....	5,886,278	1,205,569	458,623	* 4,664	* 3,023	* 6,973	* 942	47,057	44,902		
\$25,000 under \$30,000.....	5,858,233	1,067,088	820,270	323,288	8,839	--	--	299,325	296,865		
\$30,000 under \$40,000.....	11,106,472	3,062,132	2,778,615	327,414	168,821	--	--	1,631,934	1,768,636		
\$40,000 under \$50,000.....	9,325,210	3,353,432	3,712,257	392,188	179,198	--	--	2,112,752	2,802,167		
\$50,000 under \$75,000.....	17,491,819	6,991,670	11,160,817	1,232,608	616,325	--	--	5,532,274	8,897,456		
\$75,000 under \$100,000.....	10,329,339	5,028,227	8,671,160	1,004,404	523,909	--	--	3,862,888	6,643,311		
\$100,000 under \$200,000.....	10,767,383	4,451,264	5,473,998	1,158,539	609,968	--	--	2,821,029	3,934,806		
\$200,000 under \$500,000.....	2,732,229	969,742	1,957,425	194,006	103,258	--	--	* 944	* 499		
\$500,000 under \$1,000,000.....	523,401	276,645	1,419,012	** 31,530	** 18,921	--	--	--	--		
\$1,000,000 or more.....	303,106	195,181	6,166,526	**	**	--	--	--	--		
Nontaxable returns, total.....	43,779,597	13,752,883	12,399,261	2,129,954	1,227,832	46,870	5,699	9,640,721	7,657,242		

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits--continued									
	Education credit		Retirement savings contribution credit		Adoption credit		Earned income credit used to offset income tax before credits		Minimum tax credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
All returns, total.....	7,057,251	6,119,631	5,293,605	944,531	84,793	319,558	2,896,347	745,322	290,376	1,081,252
No adjusted gross income.....	283	371	829	1,001	**	**	* 14	* 9	--	--
\$1 under \$5,000.....	* 682	* 90	* 681	* 76	--	--	--	--	* 1,005	* 671
\$5,000 under \$10,000.....	100,558	11,767	39,371	3,285	--	--	533,860	45,842	--	--
\$10,000 under \$15,000.....	477,637	175,703	272,807	69,785	--	--	568,988	43,518	* 1,016	* 96
\$15,000 under \$20,000.....	649,577	398,880	637,819	86,678	--	--	232,031	86,756	* 1,975	* 787
\$20,000 under \$25,000.....	642,921	490,376	1,107,212	191,592	** 659	** 123	451,920	212,790	* 2,355	* 439
\$25,000 under \$30,000.....	608,409	466,632	689,904	190,222	* 2,661	* 1,895	735,580	290,411	* 2,411	* 1,571
\$30,000 under \$40,000.....	1,079,343	966,497	1,299,796	199,319	* 7,829	* 10,722	373,954	65,997	2,028	967
\$40,000 under \$50,000.....	810,499	737,481	1,245,051	202,560	10,423	20,788	--	--	7,365	9,804
\$50,000 under \$75,000.....	1,529,587	1,606,672	* 136	* 12	26,465	79,171	--	--	26,725	44,462
\$75,000 under \$100,000.....	1,087,179	1,245,511	--	--	17,525	75,658	--	--	29,399	38,133
\$100,000 under \$200,000.....	70,576	19,650	--	--	18,684	127,003	--	--	104,758	140,336
\$200,000 under \$500,000.....	--	--	--	--	* 444	* 3,576	--	--	54,233	161,195
\$500,000 under \$1,000,000.....	--	--	--	--	* 86	* 449	--	--	34,790	166,325
\$1,000,000 under \$1,500,000.....	--	--	--	--	--	--	--	--	9,758	113,288
\$1,500,000 under \$2,000,000.....	--	--	--	--	--	--	--	--	3,981	60,993
\$2,000,000 under \$5,000,000.....	--	--	--	--	* 12	* 148	--	--	6,030	166,607
\$5,000,000 under \$10,000,000.....	--	--	--	--	* 4	* 26	--	--	1,536	64,105
\$10,000,000 or more.....	--	--	--	--	--	--	--	--	1,010	111,472
Taxable returns, total.....	5,080,722	4,538,715	3,200,943	505,501	32,664	124,256	1,146,240	258,889	271,498	1,021,780
No adjusted gross income.....	171	305	526	471	--	--	--	--	--	--
\$1 under \$5,000.....	--	--	* 30	* 59	--	--	--	--	* 1,005	* 671
\$5,000 under \$10,000.....	* 7,658	* 2,458	* 5,339	* 369	--	--	80,190	10,166	--	--
\$10,000 under \$15,000.....	140,562	33,149	116,403	20,231	--	--	469,670	31,587	* 8	* 4
\$15,000 under \$20,000.....	309,061	127,616	403,172	46,294	--	--	* 1,315	* 143	* 662	* 206
\$20,000 under \$25,000.....	403,871	290,806	658,600	81,394	--	--	29,191	29,536	* 1,003	* 59
\$25,000 under \$30,000.....	388,446	299,371	209,868	62,830	--	--	319,272	142,423	* 1,448	* 221
\$30,000 under \$40,000.....	738,933	628,237	827,288	131,072	--	--	246,601	45,033	* 341	* 81
\$40,000 under \$50,000.....	593,682	517,736	979,581	162,769	* 997	* 1,194	--	--	4,284	4,214
\$50,000 under \$75,000.....	1,362,716	1,404,515	* 136	* 12	* 6,046	* 7,269	--	--	20,729	31,436
\$75,000 under \$100,000.....	1,065,342	1,214,911	--	--	9,165	21,848	--	--	28,064	36,488
\$100,000 under \$200,000.....	70,280	19,610	--	--	15,916	89,805	--	--	103,222	127,069
\$200,000 under \$500,000.....	--	--	--	--	* 439	* 3,517	--	--	53,776	149,898
\$500,000 under \$1,000,000.....	--	--	--	--	* 86	* 449	--	--	34,703	162,191
\$1,000,000 or more.....	--	--	--	--	* 16	* 173	--	--	22,254	509,243
Non-taxable returns, total.....	1,976,529	1,580,916	2,092,662	439,029	52,128	195,303	1,750,108	486,433	18,877	59,472

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits--continued							
	Foreign tax credit		General business credit		Empowerment zone and community renewal credit		Nonconventional source fuel credit	
	Number of returns (20)	Amount (21)	Number of returns (22)	Amount (23)	Number of returns (24)	Amount (25)	Number of returns (26)	Amount (27)
All returns, total	5,398,046	9,361,989	251,386	877,850	30,487	127,790	* 4,712	* 35,610
No adjusted gross income.....	72	7	--	--	42	126	--	--
\$1 under \$5,000.....	96,669	1,878	* 1,301	* 157	* 651	* 5	--	--
\$5,000 under \$10,000.....	84,656	* 2,567	* 998	* 239	--	--	--	--
\$10,000 under \$15,000.....	99,039	4,408	* 2,838	* 535	--	--	--	--
\$15,000 under \$20,000.....	133,847	8,263	* 2,318	* 59	* 1,005	* 153	--	--
\$20,000 under \$25,000.....	137,887	12,563	* 2,996	* 1,624	--	--	* 1,005	* 578
\$25,000 under \$30,000.....	148,193	22,441	* 2,932	* 791	* 345	* 66	--	--
\$30,000 under \$40,000.....	297,806	32,481	8,050	6,691	* 652	* 598	** 3,707	** 35,033
\$40,000 under \$50,000.....	327,048	50,655	12,910	9,662	--	--	--	--
\$50,000 under \$75,000.....	840,500	153,775	41,059	79,723	* 1,503	* 1,783	--	--
\$75,000 under \$100,000.....	674,737	149,805	37,089	48,110	2,629	5,567	--	--
\$100,000 under \$200,000.....	1,384,592	706,291	65,201	80,286	3,796	9,224	--	--
\$200,000 under \$500,000.....	763,876	1,749,080	25,293	50,663	** 19,867	** 110,269	--	--
\$500,000 under \$1,000,000.....	235,718	1,207,066	21,937	87,053	--	--	--	--
\$1,000,000 under \$1,500,000.....	66,562	685,359	8,719	64,732	--	--	--	--
\$1,500,000 under \$2,000,000.....	31,634	489,198	4,329	44,139	--	--	--	--
\$2,000,000 under \$5,000,000.....	51,007	1,341,648	8,319	151,147	--	--	--	--
\$5,000,000 under \$10,000,000.....	14,090	686,001	2,733	88,025	--	--	--	--
\$10,000,000 or more.....	10,114	2,058,503	2,363	164,216	--	--	--	--
Taxable returns, total	5,191,910	8,672,519	231,024	855,168	29,624	125,858	3,725	32,693
No adjusted gross income.....	* 43	* 5	--	--	42	126	--	--
\$1 under \$5,000.....	83,307	1,460	* 651	* 105	* 651	* 5	--	--
\$5,000 under \$10,000.....	76,968	2,413	--	--	--	--	--	--
\$10,000 under \$15,000.....	80,423	2,750	--	--	--	--	--	--
\$15,000 under \$20,000.....	108,906	6,129	* 1,656	* 35	* 1,005	* 153	--	--
\$20,000 under \$25,000.....	121,968	6,495	* 1,688	* 587	--	--	* 1,005	* 578
\$25,000 under \$30,000.....	130,180	8,978	* 1,933	* 444	* 337	* 55	--	--
\$30,000 under \$40,000.....	267,456	19,786	* 5,012	* 4,188	* 652	* 598	** 2,719	** 32,116
\$40,000 under \$50,000.....	301,820	30,529	9,535	4,841	--	--	--	--
\$50,000 under \$75,000.....	808,513	101,195	36,591	70,157	* 1,360	* 1,554	--	--
\$75,000 under \$100,000.....	668,383	141,430	35,561	45,642	* 1,959	* 3,937	--	--
\$100,000 under \$200,000.....	1,374,107	581,839	64,835	80,029	3,757	9,182	--	--
\$200,000 under \$500,000.....	761,567	1,613,317	25,197	50,115	** 19,862	** 110,248	--	--
\$500,000 under \$1,000,000.....	235,198	1,124,865	21,917	86,913	--	--	--	--
\$1,000,000 or more.....	173,071	5,031,326	26,449	512,112	--	--	--	--
Nontaxable returns, total	206,137	689,470	20,362	22,682	* 863	* 1,932	* 987	* 2,917

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued
 (All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits--continued		Income tax after credits		Total income tax		Total		All other taxes	
	Other tax credits									
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
All returns, total	53,852	123,267	90,593,079	934,835,345	90,593,081	934,835,769	21,871,625	50,821,535	4,822,297	3,820,152
No adjusted gross income.....	--	--	4,882	133,370	4,882	133,370	257,468	472,543	28,857	36,841
\$1 under \$5,000.....	--	--	813,194	72,795	813,194	72,795	1,274,352	566,440	79,920	11,151
\$5,000 under \$10,000.....	--	--	3,710,338	673,689	3,710,338	673,689	1,988,627	1,753,934	33,993	33,993
\$10,000 under \$15,000.....	--	--	5,752,740	2,418,514	5,752,740	2,418,514	1,873,722	2,344,556	192,647	57,191
\$15,000 under \$20,000.....	1,044	12	5,988,457	4,967,119	5,988,457	4,967,119	1,404,072	1,985,200	250,763	78,939
\$20,000 under \$25,000.....	655	301	5,886,278	7,663,320	5,886,278	7,663,320	1,174,044	1,831,550	270,761	95,251
\$25,000 under \$30,000.....	2,522	654	5,858,233	10,707,197	5,858,233	10,707,197	1,096,187	1,721,323	291,536	105,675
\$30,000 under \$40,000.....	5,937	10,014	11,106,472	27,284,639	11,106,472	27,284,639	1,881,455	3,253,143	248,100	248,100
\$40,000 under \$50,000.....	4,013	6,356	9,325,210	32,877,218	9,325,210	32,877,218	1,669,055	2,912,924	519,874	302,082
\$50,000 under \$75,000.....	9,876	17,570	17,491,819	92,824,047	17,491,819	92,824,047	3,258,793	6,790,335	1,085,305	872,473
\$75,000 under \$100,000.....	11,353	27,855	10,329,339	85,986,423	10,329,339	85,986,423	2,132,758	5,568,874	657,072	627,100
\$100,000 under \$200,000.....	11,060	19,541	10,767,383	189,468,358	10,767,383	189,468,358	2,583,244	10,267,511	642,010	1,028,173
\$200,000 under \$500,000.....	2,607	3,506	2,732,229	159,395,393	2,732,229	159,395,393	924,054	6,324,533	278,133	278,133
\$500,000 under \$1,000,000.....	4,150	37,421	523,400	84,700,059	523,401	84,700,059	213,067	2,142,126	13,705	30,132
\$1,000,000 under \$1,500,000.....	--	--	127,627	38,052,580	127,627	38,052,580	56,434	749,760	2,556	6,548
\$1,500,000 under \$2,000,000.....	--	--	56,495	23,941,620	56,495	23,941,620	25,333	389,474	1,195	2,263
\$2,000,000 under \$5,000,000.....	--	--	83,865	60,871,399	83,865	60,871,399	39,854	769,010	1,513	4,283
\$5,000,000 under \$10,000,000.....	--	--	21,377	34,528,949	21,377	34,528,949	11,034	337,769	360	1,467
\$10,000,000 or more.....	--	--	13,741	78,268,656	13,741	78,268,656	8,071	640,528	208	357
Taxable returns, total	44,203	101,972	90,593,079	934,835,345	90,593,081	934,835,769	14,186,542	40,476,236	3,812,083	3,411,949
No adjusted gross income.....	--	--	4,882	133,370	4,882	133,370	1,614	15,789	142	450
\$1 under \$5,000.....	--	--	813,194	72,795	813,194	72,795	33,025	6,516	9,250	974
\$5,000 under \$10,000.....	--	--	3,710,338	673,689	3,710,338	673,689	208,110	130,590	20,931	5,536
\$10,000 under \$15,000.....	--	--	5,752,740	2,418,514	5,752,740	2,418,514	495,576	500,558	78,027	22,587
\$15,000 under \$20,000.....	1,006	12	5,988,457	4,967,119	5,988,457	4,967,119	586,373	746,473	112,912	36,357
\$20,000 under \$25,000.....	655	301	5,886,278	7,663,320	5,886,278	7,663,320	591,330	843,036	132,693	44,278
\$25,000 under \$30,000.....	998	24	5,858,233	10,707,197	5,858,233	10,707,197	603,786	838,719	174,625	67,119
\$30,000 under \$40,000.....	3,146	988	11,106,472	27,284,639	11,106,472	27,284,639	1,324,543	2,097,999	412,581	191,492
\$40,000 under \$50,000.....	2,145	537	9,325,210	32,877,218	9,325,210	32,877,218	1,368,537	2,249,775	442,083	257,423
\$50,000 under \$75,000.....	8,146	13,565	17,491,819	92,824,047	17,491,819	92,824,047	3,029,597	6,112,513	1,002,378	819,034
\$75,000 under \$100,000.....	11,353	27,855	10,329,339	85,986,423	10,329,339	85,986,423	2,097,041	5,431,532	647,112	617,708
\$100,000 under \$200,000.....	10,009	18,504	10,767,383	189,468,358	10,767,383	189,468,358	2,571,168	10,175,089	640,179	1,026,331
\$200,000 under \$500,000.....	2,598	3,283	2,732,229	159,395,393	2,732,229	159,395,393	922,597	6,310,404	277,660	277,660
\$500,000 under \$1,000,000.....	4,147	36,907	523,400	84,700,059	523,401	84,700,059	212,755	2,139,032	13,680	30,101
\$1,000,000 or more.....	--	--	303,105	235,663,204	303,106	235,663,566	140,486	2,878,211	5,818	14,899
Nontaxable returns, total	9,649	21,295	--	--	--	--	7,685,083	10,345,299	1,010,214	408,202

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	All other taxes--continued								Earned income credit used to offset other taxes		Total tax liability	
	Self-employment tax		Social security taxes on tip income		Household employment tax		Amount	Number of returns	Amount	Number of returns	Amount	Number of returns
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount						
	(38)	(39)	(40)	(41)	(42)	(43)		(44)	(45)		(46)	(47)
All returns, total	16,694,655	45,459,427	335,818	79,220	228,381	936,858		4,756,198	4,199,530		94,408,548	980,259,132
No adjusted gross income	221,977	400,412	3,567	697	8,152	32,884		97,626	51,411		215,460	528,839
\$1 under \$5,000	1,165,901	536,889	27,142	2,882	* 2,809	* 15,043		586,136	167,465		1,867,312	467,549
\$5,000 under \$10,000	1,786,468	1,696,862	51,564	6,826	2,422	15,752		1,353,707	919,051		4,589,093	1,497,554
\$10,000 under \$15,000	1,628,949	2,244,464	60,342	13,782	4,925	24,830		1,069,351	1,330,342		6,121,948	3,403,609
\$15,000 under \$20,000	1,111,525	1,876,939	32,645	11,470	4,548	13,923		570,894	800,807		6,258,576	6,086,051
\$20,000 under \$25,000	884,829	1,721,909	22,258	5,795	* 2,051	* 4,414		437,960	496,007		6,093,087	8,862,663
\$25,000 under \$30,000	797,375	1,610,060	14,293	1,964	3,306	1,353		374,662	302,578		6,056,801	11,924,913
\$30,000 under \$40,000	1,317,895	2,977,110	26,010	5,467	4,369	18,577		265,862	131,868		11,394,932	30,080,366
\$40,000 under \$50,000	1,122,616	2,584,127	19,780	5,530	5,443	15,128		--	--		9,483,606	35,579,845
\$50,000 under \$75,000	2,178,367	5,828,024	34,346	7,783	19,786	56,354		--	--		17,636,395	99,449,635
\$75,000 under \$100,000	1,460,871	4,863,551	26,384	11,751	17,185	46,020		--	--		10,351,444	91,533,891
\$100,000 under \$200,000	1,925,078	9,078,358	13,414	3,695	45,527	142,407		--	--		10,779,150	199,732,003
\$200,000 under \$500,000	783,913	5,843,205	* 4,073	* 1,576	53,997	189,566		--	--		2,733,686	165,719,922
\$500,000 under \$1,000,000	189,360	1,988,685	--	--	24,708	114,291		--	--		523,713	86,842,185
\$1,000,000 under \$1,500,000	48,891	675,010	--	--	9,224	48,759		--	--		127,720	38,802,340
\$1,500,000 under \$2,000,000	21,856	341,956	--	--	4,823	30,487		--	--		56,534	24,331,094
\$2,000,000 under \$5,000,000	33,546	637,009	--	--	8,902	65,686		--	--		83,936	61,640,646
\$5,000,000 under \$10,000,000	9,038	218,273	--	--	3,081	34,018		--	--		21,398	34,866,780
\$10,000,000 or more	6,196	336,582	--	--	3,122	67,366		--	--		13,757	78,909,247
Taxable returns, total	10,109,961	35,785,476	176,431	40,214	195,721	735,585		--	--		90,582,928	975,306,741
No adjusted gross income	1,539	13,456	--	--	110	1,848		--	--		4,882	149,152
\$1 under \$5,000	21,772	5,510	* 1,006	* 4	--	--		--	--		813,194	79,311
\$5,000 under \$10,000	170,648	124,190	15,146	819	* 3	* 3		--	--		3,710,338	804,279
\$10,000 under \$15,000	391,318	472,975	19,784	1,667	* 1,656	* 2,187		--	--		5,752,740	2,919,072
\$15,000 under \$20,000	449,887	700,485	13,670	2,985	* 1,534	* 5,565		--	--		5,988,457	5,713,592
\$20,000 under \$25,000	434,803	793,506	12,679	2,999	* 935	* 485		--	--		5,885,279	8,506,352
\$25,000 under \$30,000	419,013	769,094	* 7,301	* 1,099	* 2,617	* 1,063		--	--		5,857,582	11,545,915
\$30,000 under \$40,000	876,140	1,900,356	18,449	2,588	* 1,853	* 657		--	--		11,102,549	29,381,391
\$40,000 under \$50,000	893,912	1,974,125	14,486	4,182	* 3,767	* 8,665		--	--		9,320,630	35,123,985
\$50,000 under \$75,000	2,006,092	5,222,933	30,045	6,860	17,262	41,374		--	--		17,491,819	98,935,561
\$75,000 under \$100,000	1,438,129	4,764,487	26,381	11,739	15,105	17,252		--	--		10,329,339	91,418,018
\$100,000 under \$200,000	1,915,402	9,016,136	13,414	3,695	43,481	114,087		--	--		10,767,383	199,643,448
\$200,000 under \$500,000	782,806	5,835,259	* 4,070	* 1,576	53,698	184,000		--	--		2,732,229	165,705,796
\$500,000 under \$1,000,000	189,120	1,986,796	--	--	24,640	113,331		--	--		523,401	86,839,091
\$1,000,000 or more	119,379	2,206,167	--	--	29,061	245,069		--	--		303,106	238,541,777
Nontaxable returns, total	6,584,694	9,673,951	159,387	39,006	32,660	201,273		4,756,198	4,199,530		3,825,620	4,952,392

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued
 (All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax payments									
	Total		Income tax withheld		Estimated tax payments		Additional child tax credit		Payments with request for extension of filing time	
	Number of returns (48)	Amount (49)	Number of returns (50)	Amount (51)	Number of returns (52)	Amount (53)	Number of returns (54)	Amount (55)	Number of returns (56)	Amount (57)
All returns, total	122,684,049	1,083,700,046	118,161,380	782,659,594	11,053,213	221,001,524	15,219,712	15,495,160	1,627,572	77,833,848
No adjusted gross income	646,284	2,525,943	521,739	1,353,643	123,550	978,875	193,543	322,596	22,117	180,196
\$1 under \$5,000	8,363,102	1,829,549	8,191,898	1,524,246	165,377	267,448	55,028	65,974	37,954	25,466
\$5,000 under \$10,000	9,660,692	4,903,057	9,404,545	4,514,925	281,024	334,797	118,517	84,888	44,499	43,324
\$10,000 under \$15,000	9,736,336	8,682,837	9,397,965	8,012,603	429,094	618,212	2,461,303	851,054	37,454	45,289
\$15,000 under \$20,000	10,046,870	13,660,858	9,687,066	12,585,849	481,779	1,004,888	3,170,292	2,694,263	37,716	64,126
\$20,000 under \$25,000	9,179,800	17,299,213	8,890,956	16,161,676	424,483	1,042,177	2,827,362	3,045,497	40,273	87,718
\$25,000 under \$30,000	8,371,368	20,644,611	8,083,865	19,419,689	474,553	1,158,602	2,069,653	2,633,526	34,281	59,675
\$30,000 under \$40,000	13,580,607	46,523,145	13,157,817	43,666,108	848,466	2,663,492	2,333,589	3,193,562	69,903	179,053
\$40,000 under \$50,000	10,416,281	51,009,451	10,082,481	47,546,429	838,093	3,254,337	1,142,618	1,518,308	63,103	187,328
\$50,000 under \$75,000	18,108,747	128,084,882	17,496,671	118,237,559	1,889,626	9,072,013	739,059	934,239	185,910	758,312
\$75,000 under \$100,000	10,350,046	110,758,872	9,995,627	100,133,351	1,364,553	9,630,282	91,968	128,915	156,728	905,242
\$100,000 under \$200,000	10,708,939	209,931,290	10,150,230	177,334,741	2,128,658	28,300,520	16,772	22,334	384,084	3,343,338
\$200,000 under \$500,000	2,697,050	152,353,672	2,418,234	103,123,718	1,093,886	41,022,173	7	* 5	289,997	7,523,184
\$500,000 under \$1,000,000	517,764	80,080,028	436,961	44,382,640	295,829	28,325,167	—	—	108,699	7,184,401
\$1,000,000 under \$1,500,000	125,937	35,996,800	102,411	16,727,556	84,895	14,355,313	—	—	40,106	4,866,035
\$1,500,000 under \$2,000,000	55,965	22,835,556	45,736	10,001,618	39,696	9,298,777	—	—	19,840	3,511,218
\$2,000,000 under \$5,000,000	83,270	59,149,769	67,880	23,308,913	61,731	24,502,006	—	—	35,478	11,283,337
\$5,000,000 under \$10,000,000	21,285	34,428,248	17,661	12,548,421	16,590	13,561,262	—	—	10,834	8,298,716
\$10,000,000 or more	13,708	83,002,266	11,635	22,075,908	11,330	31,611,181	—	—	8,597	29,287,890
Taxable returns, total	87,649,943	1,041,492,494	84,120,129	745,219,146	9,796,424	216,689,203	12,418	13,796	1,479,871	77,446,936
No adjusted gross income	3,635	208,877	3,106	63,999	1,050	71,465	* 3	* 7	665	72,942
\$1 under \$5,000	360,042	86,960	323,847	50,355	29,892	26,993	—	—	18,773	9,248
\$5,000 under \$10,000	3,411,768	1,760,328	3,368,234	1,702,673	54,173	43,319	—	—	17,878	14,237
\$10,000 under \$15,000	5,177,773	5,216,988	4,982,760	4,905,593	248,284	288,699	—	—	24,086	21,700
\$15,000 under \$20,000	5,616,071	8,762,700	5,374,326	8,085,344	321,799	628,863	—	—	26,493	46,898
\$20,000 under \$25,000	5,612,219	11,941,586	5,383,045	11,101,260	339,871	769,404	* 998	* 578	30,085	68,767
\$25,000 under \$30,000	5,672,621	15,593,693	5,443,285	14,654,387	390,414	889,437	* 652	* 652	26,179	45,722
\$30,000 under \$40,000	10,896,510	40,070,350	10,538,630	37,693,779	733,340	2,231,007	* 4,901	* 4,830	55,995	139,458
\$40,000 under \$50,000	9,185,408	46,852,299	8,882,629	43,765,776	772,716	2,897,464	* 6,731	* 6,731	56,204	168,152
\$50,000 under \$75,000	17,292,970	124,242,574	16,710,342	114,772,977	1,832,816	8,736,111	* 624	* 998	176,433	717,933
\$75,000 under \$100,000	10,237,414	109,818,849	9,891,584	99,349,682	1,352,882	9,498,355	—	—	154,172	884,632
\$100,000 under \$200,000	10,673,703	209,416,217	10,121,087	176,999,005	2,118,231	28,138,715	—	—	379,940	3,326,057
\$200,000 under \$500,000	2,693,195	152,220,943	2,415,754	103,069,526	1,091,800	40,952,834	—	—	289,604	7,514,441
\$500,000 under \$1,000,000	516,995	80,024,246	436,507	44,365,974	295,327	28,291,292	—	—	108,588	7,179,296
\$1,000,000 or more	299,619	235,275,884	244,993	84,638,816	213,827	93,225,245	—	—	114,777	57,237,454
Non-taxable returns, total	35,034,106	42,207,552	34,041,251	37,440,448	1,256,789	4,312,321	15,207,294	15,481,364	147,701	386,912

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax payments--continued								Earned income credit refundable portion	
	Excess social security taxes withheld		Credit for Federal tax on gasoline and special fuels		Credit from regulated investment companies		Health coverage credit			
	Number of returns (58)	Amount (59)	Number of returns (60)	Amount (61)	Number of returns (62)	Amount (63)	Number of returns (64)	Amount (65)	Number of returns (66)	Amount (67)
All returns, total.....	1,383,240	2,023,314	340,769	101,712	19,812	52,976	13,380	27,078	20,087,050	37,465,440
No adjusted gross income	3,357	5,039	22,419	6,896	1,040	1,247	* 8	* 47	130,423	120,267
\$1 under \$5,000 ..	* 302	* 360	18,288	11,577	* 998	* 451	--	--	2,522,385	1,593,045
\$5,000 under \$10,000 ..	* 6	* 8	21,628	7,451	* 8	* 5	* 1,656	* 2,547	4,408,796	7,025,122
\$10,000 under \$15,000 ..	--	--	18,681	6,716	* 200	* 17	--	--	3,643,612	10,738,897
\$15,000 under \$20,000 ..	* 358	* 253	20,986	4,936	* 658	* 191	* 625	* 615	3,228,703	9,012,725
\$20,000 under \$25,000 ..	* 862	* 182	21,606	5,514	* 6	* 7	** 11,050	** 23,863	2,830,398	5,577,351
\$25,000 under \$30,000 ..	--	--	23,835	4,571	* 670	* 52	--	--	2,079,128	2,627,075
\$30,000 under \$40,000 ..	* 1,798	* 1,034	45,933	12,887	* 864	* 145	--	--	1,243,607	770,957
\$40,000 under \$50,000 ..	* 1,666	* 2,734	31,209	10,997	* 1,480	* 1,346	--	--	--	--
\$50,000 under \$75,000 ..	7,956	3,721	46,986	9,202	* 4,590	* 2,636	--	--	--	--
\$75,000 under \$100,000 ..	188,020	79,692	33,029	6,579	* 307	* 6	--	--	--	--
\$100,000 under \$200,000 ..	794,440	935,620	27,290	7,102	4,716	2,391	--	--	--	--
\$200,000 under \$500,000 ..	294,437	679,245	5,292	2,800	2,845	2,095	--	--	--	--
\$500,000 under \$1,000,000 ..	56,659	185,452	** 3,587	** 4,485	** 1,428	** 42,387	* 39	* 5	--	--
\$1,000,000 under \$1,500,000 ..	12,695	47,036	--	--	--	--	--	--	--	--
\$1,500,000 under \$2,000,000 ..	6,300	23,319	--	--	--	--	--	--	--	--
\$2,000,000 under \$5,000,000 ..	9,763	37,884	--	--	--	--	* 3	* 2	--	--
\$5,000,000 under \$10,000,000 ..	2,846	13,645	--	--	--	--	--	--	--	--
\$10,000,000 or more ..	1,775	8,092	--	--	--	--	--	--	--	--
Taxable returns, total.....	1,374,193	2,013,298	209,872	50,979	16,199	51,003	10,105	21,929	--	--
No adjusted gross income	96	268	** 66	** 203	* 10	* 5	--	--	--	--
\$1 under \$5,000	* 302	* 360	--	--	--	--	--	--	--	--
\$5,000 under \$10,000 ..	--	--	* 945	* 94	* 8	* 5	--	--	--	--
\$10,000 under \$15,000 ..	--	--	* 4,020	* 996	--	--	--	--	--	--
\$15,000 under \$20,000 ..	--	--	7,359	1,405	* 658	* 191	--	--	--	--
\$20,000 under \$25,000 ..	* 653	* 168	15,212	1,987	--	--	** 10,063	** 21,924	--	--
\$25,000 under \$30,000 ..	--	--	14,287	2,123	--	--	--	--	--	--
\$30,000 under \$40,000 ..	* 1,306	* 647	28,910	5,017	* 208	* 16	--	--	--	--
\$40,000 under \$50,000 ..	* 1,009	* 2,670	27,878	10,612	* 1,480	* 1,346	--	--	--	--
\$50,000 under \$75,000 ..	7,599	3,019	43,362	8,460	* 4,558	* 2,635	--	--	--	--
\$75,000 under \$100,000 ..	184,876	76,731	31,699	5,722	* 303	* 5	--	--	--	--
\$100,000 under \$200,000 ..	794,136	935,399	27,271	7,096	4,707	2,366	--	--	--	--
\$200,000 under \$500,000 ..	294,251	678,804	5,277	2,795	2,840	2,087	--	--	--	--
\$500,000 under \$1,000,000 ..	56,616	185,344	** 3,583	** 4,467	** 1,425	** 42,347	* 39	* 5	--	--
\$1,000,000 or more ..	33,350	129,890	--	--	--	--	* 3	* 2	--	--
Nontaxable returns, total.....	9,047	10,016	130,897	50,733	3,614	1,974	* 3,275	* 5,148	20,087,050	37,465,440

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued
 (All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
	Total		Refunded		Credited to 2005 estimated tax		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)
All returns, total	104,778,359	272,110,056	101,870,385	232,975,616	4,055,960	39,134,446	25,659,937	118,232,296	5,882,477	1,286,944
No adjusted gross income	775,257	2,676,529	724,462	2,176,447	65,530	500,082	147,250	265,172	29,006	2,946
\$1 under \$5,000	8,702,441	3,351,569	8,627,634	3,266,528	93,355	85,041	1,461,888	338,572	17,433	1,327
\$5,000 under \$10,000	9,942,100	11,206,469	9,858,797	11,095,961	111,329	110,508	1,366,617	716,367	152,947	6,477
\$10,000 under \$15,000	9,797,815	17,735,761	9,679,348	17,592,484	171,387	143,277	1,423,193	921,900	199,258	11,399
\$15,000 under \$20,000	9,522,154	20,294,444	9,384,611	20,058,668	201,298	235,776	1,349,933	1,109,269	203,570	15,080
\$20,000 under \$25,000	8,431,034	18,182,394	8,317,188	17,973,542	164,122	208,852	1,279,834	1,286,799	234,936	17,699
\$25,000 under \$30,000	7,398,050	15,159,753	7,296,740	14,953,960	155,066	205,793	1,293,421	1,401,837	17,228	17,228
\$30,000 under \$40,000	11,582,846	23,005,464	11,374,574	22,570,485	305,727	434,979	2,298,493	2,963,696	462,157	38,983
\$40,000 under \$50,000	8,509,510	19,892,038	8,328,649	19,394,190	283,374	497,847	2,074,032	3,193,604	37,898	37,898
\$50,000 under \$75,000	13,931,631	38,137,013	13,537,990	36,925,848	585,108	1,211,165	4,387,067	8,833,013	1,063,796	100,327
\$75,000 under \$100,000	7,835,010	26,657,328	7,522,825	25,291,041	458,239	1,366,288	2,599,429	7,410,013	754,728	84,946
\$100,000 under \$200,000	6,785,953	30,592,985	6,224,333	26,757,118	770,705	3,835,868	3,993,954	20,600,215	1,219,228	224,985
\$200,000 under \$500,000	1,170,692	12,321,874	817,028	6,882,745	436,600	5,439,129	1,554,607	25,991,632	627,665	303,509
\$500,000 under \$1,000,000	235,235	6,661,381	118,791	2,491,515	137,557	4,169,867	286,299	13,565,198	139,838	141,659
\$1,000,000 under \$1,500,000	61,190	3,369,687	24,760	952,328	41,953	2,417,359	66,219	6,236,934	37,942	61,700
\$1,500,000 under \$2,000,000	28,128	2,167,129	10,314	567,866	20,498	1,599,264	28,235	3,698,784	15,618	36,116
\$2,000,000 under \$5,000,000	46,165	6,131,170	15,509	1,408,449	35,129	4,722,728	37,535	8,699,145	22,378	77,098
\$5,000,000 under \$10,000,000	13,324	3,864,439	4,140	788,597	10,652	3,075,842	8,015	4,337,206	5,266	34,235
\$10,000,000 or more	9,825	10,702,628	2,693	1,827,845	8,330	8,874,783	3,915	6,662,941	3,070	53,333
Taxable returns, total	67,402,487	180,552,781	64,876,292	142,950,224	3,490,894	37,602,563	23,083,755	115,594,075	5,370,445	1,227,672
No adjusted gross income	2,316	120,728	1,507	58,274	930	62,454	2,565	61,474	679	472
\$1 under \$5,000	240,230	59,886	220,027	47,451	25,689	12,436	566,058	52,238	* 3	* 1
\$5,000 under \$10,000	3,016,305	1,155,735	2,995,127	1,143,074	21,826	12,661	690,033	201,437	39,103	1,642
\$10,000 under \$15,000	4,542,169	2,934,135	4,473,777	2,883,740	94,684	50,396	1,204,125	646,597	121,296	6,906
\$15,000 under \$20,000	4,779,645	3,950,923	4,683,310	3,833,067	128,136	117,857	1,208,161	913,485	151,513	11,186
\$20,000 under \$25,000	4,725,862	4,513,844	4,640,561	4,379,053	120,910	134,791	1,156,104	1,092,471	182,945	13,980
\$25,000 under \$30,000	4,661,395	5,259,227	4,586,298	5,127,592	117,386	131,635	1,192,557	1,226,043	189,315	13,808
\$30,000 under \$40,000	8,939,412	13,290,754	8,760,802	12,947,605	256,317	343,150	2,158,269	2,631,037	398,349	32,733
\$40,000 under \$50,000	7,307,960	14,718,170	7,141,493	14,344,749	257,955	373,421	2,008,947	3,022,391	433,497	34,973
\$50,000 under \$75,000	13,147,320	33,838,532	12,768,715	32,718,705	559,104	1,119,828	4,332,121	8,627,650	1,033,617	95,717
\$75,000 under \$100,000	7,726,077	25,681,762	7,419,326	24,381,783	452,101	1,299,980	2,591,553	7,365,138	750,413	84,041
\$100,000 under \$200,000	6,754,171	30,113,962	6,195,791	26,353,635	767,000	3,760,327	3,988,890	20,565,855	1,218,275	224,663
\$200,000 under \$500,000	1,167,026	12,201,179	814,218	6,795,345	435,337	5,405,835	1,554,250	25,989,467	627,406	303,434
\$500,000 under \$1,000,000	234,492	6,608,442	118,275	2,458,280	137,235	4,150,162	286,236	13,564,937	139,793	141,651
\$1,000,000 or more	158,106	26,105,498	57,063	5,477,872	116,284	20,627,632	143,886	29,633,854	84,241	262,454
Nontaxable returns, total	37,375,872	91,557,275	36,994,093	90,025,392	565,066	1,531,883	2,576,182	2,638,221	512,032	39,272

* Estimate should be used with caution due to the small number of sample returns on which it is based

** Data combined to avoid disclosure of information for specific taxpayers

NOTE: Detail may not add to total because of rounding.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	All returns	Tax credits							
		Total		Child care credit		Credit for the elderly and disabled		Child tax credit	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	0.01	0.36	0.54	1.13	1.36	9.52	11.67	0.51	0.61
No adjusted gross income.....	1.37	21.53	22.75	94.94	97.56	33.69	31.26	25.65	26.12
\$1 under \$5,000.....	0.81	8.61	24.03	--	--	--	--	68.94	54.34
\$5,000 under \$10,000.....	0.79	3.43	4.45	99.92	99.92	32.26	47.01	49.94	64.65
\$10,000 under \$15,000.....	0.82	2.26	3.16	14.08	20.24	13.56	15.49	5.52	7.58
\$15,000 under \$20,000.....	0.84	1.68	2.23	5.76	6.70	16.67	18.50	2.54	3.02
\$20,000 under \$25,000.....	0.91	1.47	1.86	4.77	5.37	32.04	38.88	2.10	2.44
\$25,000 under \$30,000.....	0.97	1.58	1.86	4.55	5.08	--	--	2.02	2.24
\$30,000 under \$40,000.....	0.75	1.25	1.48	3.38	3.96	--	--	1.53	1.69
\$40,000 under \$50,000.....	0.77	1.32	1.61	3.79	4.48	--	--	1.62	1.78
\$50,000 under \$75,000.....	0.52	0.96	1.16	2.52	3.03	--	--	1.10	1.23
\$75,000 under \$100,000.....	0.69	1.17	1.47	2.95	3.54	--	--	1.39	1.57
\$100,000 under \$200,000.....	0.63	1.15	2.06	2.54	3.12	--	--	1.62	1.95
\$200,000 under \$500,000.....	0.73	1.24	5.85	3.57	4.38	--	--	54.89	59.12
\$500,000 under \$1,000,000.....	0.97	1.33	5.63	** 4.37	** 4.93	--	--	--	--
\$1,000,000 under \$1,500,000.....	1.21	1.55	6.06	**	**	--	--	--	--
\$1,500,000 under \$2,000,000.....	0.92	1.19	6.28	**	**	--	--	--	--
\$2,000,000 under \$5,000,000.....	0.51	0.62	2.85	**	**	--	--	--	--
\$5,000,000 under \$10,000,000.....	0.55	0.63	2.31	**	**	--	--	--	--
\$10,000,000 or more.....	0.02	0.02	--	**	**	--	--	--	--
Taxable returns, total	0.15	0.44	0.65	1.35	1.62	13.04	15.35	0.64	0.73
No adjusted gross income.....	13.40	23.95	25.15	49.10	13.56	35.62	32.63	30.25	31.00
\$1 under \$5,000.....	3.23	9.50	30.07	--	--	--	--	78.85	78.85
\$5,000 under \$10,000.....	1.54	7.02	11.59	--	--	99.15	86.38	--	--
\$10,000 under \$15,000.....	1.22	3.35	4.82	--	--	18.84	20.57	98.26	67.75
\$15,000 under \$20,000.....	1.20	3.34	5.14	70.67	70.68	21.57	24.06	66.21	69.81
\$20,000 under \$25,000.....	1.21	2.75	4.41	45.21	46.85	35.90	45.75	14.17	14.27
\$25,000 under \$30,000.....	1.22	2.93	3.71	20.21	24.32	--	--	5.65	5.68
\$30,000 under \$40,000.....	0.86	1.70	2.09	5.39	6.06	--	--	2.38	2.47
\$40,000 under \$50,000.....	0.84	1.56	1.94	4.87	5.66	--	--	2.02	2.16
\$50,000 under \$75,000.....	0.54	1.02	1.23	2.70	3.25	--	--	1.18	1.31
\$75,000 under \$100,000.....	0.70	1.19	1.47	3.00	3.59	--	--	1.41	1.59
\$100,000 under \$200,000.....	0.63	1.16	1.99	2.54	3.12	--	--	1.62	1.95
\$200,000 under \$500,000.....	0.73	1.24	6.30	3.57	4.38	--	--	55.18	59.72
\$500,000 under \$1,000,000.....	0.98	1.33	5.97	** 4.37	** 4.93	--	--	--	--
\$1,000,000 or more.....	0.50	0.61	1.35	**	**	--	--	--	--
Nontaxable returns, total	0.32	0.75	1.06	2.07	2.46	13.96	17.93	0.92	1.23

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax credits--continued											
	Education credit		Retirement savings contribution credit		Adoption credit		Earned income credit used to offset income tax before credits		Minimum tax credit			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)		
All returns, total.....	1.11	1.41	1.28	1.73	10.06	13.27	1.77	2.61	3.77	3.62		
No adjusted gross income.....	39 90	56 39	47 88	58 06	**	**	66 23	65 54	--	--		
\$1 under \$5,000.....	95 42	99 57	95 67	79 62	--	--	--	--	99 95	99 95		
\$5,000 under \$10,000.....	9 69	13 73	15 24	17 44	--	--	4 14	4 74	--	--		
\$10,000 under \$15,000.....	4 47	4 97	5 79	7 14	--	--	4 04	5 43	98 85	95 31		
\$15,000 under \$20,000.....	3 84	4 55	3 83	4 96	--	--	6 41	7 48	57 18	61 73		
\$20,000 under \$25,000.....	3 83	4 75	2 90	3 92	** 99 77	** 97 56	4 59	5 92	61 61	67 02		
\$25,000 under \$30,000.....	3 94	4 94	3 63	5 12	58 72	63 54	3 58	4 21	48 76	67 99		
\$30,000 under \$40,000.....	2 91	3 55	2 61	3 17	34 76	43 81	5 02	7 84	49 85	61 02		
\$40,000 under \$50,000.....	3 29	4 03	2 61	3 00	28 43	28 98	--	--	30 29	47 33		
\$50,000 under \$75,000.....	2 36	2 96	99 63	99 63	18 15	21 72	--	--	15 86	24 34		
\$75,000 under \$100,000.....	2 84	3 41	--	--	23 26	26 97	--	--	15 28	22 96		
\$100,000 under \$200,000.....	11 11	14 61	--	--	20 04	25 15	--	--	7 09	11 91		
\$200,000 under \$500,000.....	--	--	--	--	74 04	77 13	--	--	6 43	14 10		
\$500,000 under \$1,000,000.....	--	--	--	--	63 69	65 92	--	--	4 26	9 20		
\$1,000,000 under \$1,500,000.....	--	--	--	--	--	--	--	--	4 68	11 48		
\$1,500,000 under \$2,000,000.....	--	--	--	--	--	--	--	--	4 06	9 89		
\$2,000,000 under \$5,000,000.....	--	--	--	--	41 19	46 26	--	--	2 33	5 29		
\$5,000,000 under \$10,000,000.....	--	--	--	--	61 95	48 98	--	--	2 00	3 99		
\$10,000,000 or more.....	--	--	--	--	--	--	--	--	--	--		
Taxable returns, total.....	1.32	1.68	1.66	2.14	15.85	20.83	2.85	4.42	3.84	3.67		
No adjusted gross income.....	60 65	68 00	49 50	51 37	--	--	--	--	--	--		
\$1 under \$5,000.....	--	--	98 30	98 30	--	--	--	--	99 95	99 95		
\$5,000 under \$10,000.....	34 47	49 22	42 29	44 98	--	--	10 69	11 17	--	--		
\$10,000 under \$15,000.....	8 27	9 89	9 08	11 27	--	--	4 45	5 18	93 63	93 63		
\$15,000 under \$20,000.....	5 58	6 88	4 82	6 07	--	--	79 76	79 68	98 95	99 70		
\$20,000 under \$25,000.....	4 87	6 08	3 76	4 74	--	--	17 98	19 05	99 31	99 89		
\$25,000 under \$30,000.....	4 97	6 37	6 57	9 12	--	--	5 48	6 11	64 33	70 10		
\$30,000 under \$40,000.....	3 56	4 43	3 28	3 95	--	--	6 20	10 05	88 76	70 23		
\$40,000 under \$50,000.....	3 87	4 80	2 95	3 39	99 95	99 95	--	--	40 19	65 42		
\$50,000 under \$75,000.....	2 52	3 18	99 63	99 63	37 84	42 85	--	--	18 39	27 63		
\$75,000 under \$100,000.....	2 87	3 45	--	--	32 15	37 00	--	--	15 59	23 71		
\$100,000 under \$200,000.....	11 15	14 64	--	--	21 58	26 95	--	--	7 15	11 37		
\$200,000 under \$500,000.....	--	--	--	--	74 88	78 42	--	--	6 48	15 17		
\$500,000 under \$1,000,000.....	--	--	--	--	63 69	65 92	--	--	4 27	9 43		
\$1,000,000 or more.....	--	--	--	--	34 59	40 05	--	--	2 26	3 33		
Non-taxable returns, total.....	2.14	2.62	2.07	2.82	13.02	17.21	2.29	3.27	18.05	19.25		

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax credits--continued							
	Foreign tax credit		General business credit		Empowerment zone and community renewal credit		Nonconventional source fuel credit	
	Number of returns (20)	Amount (21)	Number of returns (22)	Amount (23)	Number of returns (24)	Amount (25)	Number of returns (26)	Amount (27)
All returns, total.....	0.60	1.94	4.41	2.82	8.87	10.37	38.05	22.15
No adjusted gross income.....	43 05	55.78	--	--	26 76	24.14	--	--
\$1 under \$5,000.....	8 84	14.34	70 65	74.73	99 92	99.92	--	--
\$5,000 under \$10,000.....	9 28	24.07	99 95	99.95	--	--	--	--
\$10,000 under \$15,000.....	8 38	15.19	51 47	72.61	--	--	--	--
\$15,000 under \$20,000.....	7 47	21.60	58 22	67.72	99 95	99.95	--	--
\$20,000 under \$25,000.....	7 24	24.08	50 72	54.51	--	--	99 95	99.95
\$25,000 under \$30,000.....	7 16	23.27	51 01	56.92	97 53	84.84	--	--
\$30,000 under \$40,000.....	4 93	19.25	28 98	33.65	99 92	99.92	--	--
\$40,000 under \$50,000.....	4 59	21.05	23 21	27.82	--	--	--	--
\$50,000 under \$75,000.....	2 60	12.93	13 21	17.83	70 17	83.29	--	--
\$75,000 under \$100,000.....	3 04	15.57	14 10	19.08	45 87	49.04	--	--
\$100,000 under \$200,000.....	1 68	9.68	9 16	13.54	29 59	40.07	--	--
\$200,000 under \$500,000.....	1 29	6.87	8 34	14.60	--	--	--	--
\$500,000 under \$1,000,000.....	1 40	6.83	5 14	8.55	--	--	--	--
\$1,000,000 under \$1,500,000.....	1 65	7.49	4 59	7.79	--	--	--	--
\$1,500,000 under \$2,000,000.....	1 24	7.61	3 91	8.67	--	--	--	--
\$2,000,000 under \$5,000,000.....	0 64	3.46	1 93	4.15	--	--	--	--
\$5,000,000 under \$10,000,000.....	0 67	2.81	1 46	3.17	--	--	--	--
\$10,000,000 or more.....	0 02	--	--	--	--	--	--	--
Taxable returns, total.....	0.63	2.04	4.53	2.83	8.83	10.45	40.21	22.43
No adjusted gross income.....	69 26	71.38	--	--	26 76	24.14	--	--
\$1 under \$5,000.....	9 59	14.27	99 92	99.92	99 92	99.92	--	--
\$5,000 under \$10,000.....	9 78	25.41	--	--	--	--	--	--
\$10,000 under \$15,000.....	9 44	15.08	--	--	--	--	--	--
\$15,000 under \$20,000.....	8 31	22.65	72 27	97.08	99 95	99.95	--	--
\$20,000 under \$25,000.....	7 75	19.74	71 53	84.41	--	--	99 95	99.95
\$25,000 under \$30,000.....	7 72	27.50	57 71	65.02	99 85	99.85	--	--
\$30,000 under \$40,000.....	5 25	22.52	37 08	44.47	99 92	99.92	--	--
\$40,000 under \$50,000.....	4 80	20.18	27 17	31.71	--	--	--	--
\$50,000 under \$75,000.....	2 68	12.67	14 19	19.31	76 82	94.45	--	--
\$75,000 under \$100,000.....	3 06	16.26	14 50	19.66	51 21	55.65	--	--
\$100,000 under \$200,000.....	1 69	10.06	9 20	13.58	29 88	40.25	--	--
\$200,000 under \$500,000.....	1 30	7.45	8 37	14.76	--	--	--	--
\$500,000 under \$1,000,000.....	1 40	7.33	5 14	8.57	--	--	--	--
\$1,000,000 or more.....	0 62	1.60	1 74	1.82	--	--	--	--
Nontaxable returns, total.....	5.74	5.87	17.94	24.06	79.39	85.15	99.85	99.86

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax credits—continued		Income tax after credits		Total income tax		All other taxes			
	Other tax credits						Total		Penalty tax on qualified retirement plans	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
All returns, total	11.43	11.83	0.15	0.15	0.15	0.15	0.40	0.65	1.24	2.51
No adjusted gross income	**	**	13.40	17.95	13.40	17.95	3.84	5.03	11.25	14.69
\$1 under \$5,000	--	--	3.23	8.77	3.23	8.77	2.30	3.70	9.98	20.15
\$5,000 under \$10,000	--	--	1.54	2.07	1.54	2.07	1.79	2.23	7.42	11.80
\$10,000 under \$15,000	** 99.61	** 79.70	1.22	1.40	1.22	1.40	1.88	2.37	6.46	10.55
\$15,000 under \$20,000	96.31	90.94	1.20	1.35	1.20	1.35	2.23	2.93	5.65	9.35
\$20,000 under \$25,000	99.46	99.79	1.21	1.36	1.21	1.36	2.46	3.44	5.42	9.20
\$25,000 under \$30,000	59.78	73.96	1.22	1.36	1.22	1.36	2.55	3.71	5.31	8.39
\$30,000 under \$40,000	39.17	54.23	0.86	0.97	0.86	0.97	1.93	2.96	3.87	6.21
\$40,000 under \$50,000	42.35	75.66	0.84	0.98	0.84	0.98	2.03	3.29	3.89	5.84
\$50,000 under \$75,000	28.06	32.32	0.54	0.65	0.54	0.65	1.42	2.41	2.70	7.11
\$75,000 under \$100,000	26.48	30.56	0.70	0.80	0.70	0.80	1.78	2.77	3.60	5.44
\$100,000 under \$200,000	25.57	33.21	0.63	0.63	0.63	0.63	1.39	1.84	3.29	5.19
\$200,000 under \$500,000	29.65	41.47	0.73	0.69	0.73	0.69	1.40	1.91	4.69	8.94
\$500,000 under \$1,000,000	** 10.68	** 8.81	0.98	0.91	0.98	0.91	1.60	2.33	7.13	16.77
\$1,000,000 under \$1,500,000	**	**	1.21	1.21	1.21	1.21	1.82	2.92	9.41	38.12
\$1,500,000 under \$2,000,000	**	**	0.92	0.98	0.92	0.98	1.52	2.78	7.57	21.90
\$2,000,000 under \$5,000,000	**	**	0.51	0.48	0.51	0.48	0.82	1.68	4.72	21.39
\$5,000,000 under \$10,000,000	**	**	0.55	0.49	0.55	0.49	0.75	2.13	4.22	14.39
\$10,000,000 or more	**	**	0.02	0.01	0.02	0.01	0.03	0.13	--	--
Taxable returns, total	12.38	12.10	0.15	0.15	0.15	0.15	0.58	0.79	1.40	2.77
No adjusted gross income	**	**	13.40	17.95	13.40	17.95	20.19	7.26	75.24	42.24
\$1 under \$5,000	--	--	3.23	8.77	3.23	8.77	15.05	19.91	29.43	40.39
\$5,000 under \$10,000	--	--	1.54	2.07	1.54	2.07	5.96	8.04	19.44	32.63
\$10,000 under \$15,000	--	--	1.22	1.40	1.22	1.40	3.86	4.94	10.43	17.47
\$15,000 under \$20,000	** 99.85	** 15.11	1.20	1.35	1.20	1.35	3.54	4.84	8.47	14.02
\$20,000 under \$25,000	99.46	99.79	1.21	1.36	1.21	1.36	3.54	5.11	7.79	12.83
\$25,000 under \$30,000	99.95	99.95	1.22	1.36	1.22	1.36	3.51	5.33	6.94	11.35
\$30,000 under \$40,000	55.23	71.35	0.86	0.97	0.86	0.97	2.35	3.72	4.43	7.24
\$40,000 under \$50,000	54.30	73.74	0.84	0.98	0.84	0.98	2.28	3.74	4.24	6.48
\$50,000 under \$75,000	30.94	36.53	0.54	0.65	0.54	0.65	1.49	2.56	2.79	7.49
\$75,000 under \$100,000	26.48	30.56	0.70	0.80	0.70	0.80	1.80	2.80	3.63	5.48
\$100,000 under \$200,000	26.39	34.85	0.63	0.63	0.63	0.63	1.39	1.84	3.30	5.19
\$200,000 under \$500,000	29.75	44.28	0.73	0.69	0.73	0.69	1.40	1.92	4.70	8.95
\$500,000 under \$1,000,000	** 10.68	** 8.94	0.98	0.91	0.98	0.91	1.60	2.33	7.15	16.78
\$1,000,000 or more	**	**	0.50	0.22	0.50	0.22	0.78	0.97	4.58	18.21
Nontaxable returns, total	29.24	36.50	--	--	--	--	0.76	1.31	2.75	4.54

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	All other taxes--Continued						Earned income credit used to offset other taxes		Total tax liability	
	Self-employment tax		Social security taxes on tip income		Household employment tax		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)
All returns, total	0.39	0.69	5.22	11.61	4.20	5.54	1.05	1.49	0.15	0.15
No adjusted gross income.....	4 11	5.48	41.57	79.69	27.33	21.76	6.78	10.43	4 21	6.13
\$1 under \$5,000.....	2.37	3.41	18.77	36.14	51.62	65.46	3.46	4.48	2.00	4.14
\$5,000 under \$10,000.....	1.85	2.20	13.60	20.39	54.50	71.53	2.23	2.87	1.35	2.10
\$10,000 under \$15,000.....	1.97	2.37	12.40	19.05	39.58	55.96	2.56	3.00	1.18	1.59
\$15,000 under \$20,000.....	2.44	3.04	17.08	23.78	41.79	51.83	3.57	4.39	1.16	1.39
\$20,000 under \$25,000.....	2.77	3.60	20.65	30.50	67.07	84.28	4.09	5.35	1.18	1.38
\$25,000 under \$30,000.....	2.89	3.92	25.38	42.28	50.59	55.18	4.40	5.67	1.19	1.35
\$30,000 under \$40,000.....	2.22	3.15	18.62	30.50	41.69	68.91	5.15	6.35	0.84	0.96
\$40,000 under \$50,000.....	2.39	3.62	21.63	31.85	37.23	48.64	--	--	0.83	0.97
\$50,000 under \$75,000.....	1.67	2.58	16.02	25.57	20.02	26.40	--	--	0.53	0.65
\$75,000 under \$100,000.....	2.05	3.05	19.04	60.12	21.42	45.25	--	--	0.70	0.80
\$100,000 under \$200,000.....	1.52	1.97	24.10	47.06	10.29	18.56	--	--	0.63	0.62
\$200,000 under \$500,000.....	1.48	1.99	-- 25.89	-- 40.37	6.08	10.34	--	--	0.73	0.69
\$500,000 under \$1,000,000.....	1.69	2.38	--	--	4.99	11.41	--	--	0.98	0.90
\$1,000,000 under \$1,500,000.....	1.95	2.85	--	--	4.78	10.19	--	--	1.21	1.21
\$1,500,000 under \$2,000,000.....	1.65	2.80	--	--	3.67	7.06	--	--	0.92	0.98
\$2,000,000 under \$5,000,000.....	0.92	1.66	--	--	1.83	3.48	--	--	0.51	0.48
\$5,000,000 under \$10,000,000.....	0.84	1.53	--	--	1.32	1.98	--	--	0.55	0.49
\$10,000,000 or more.....	0.04	0.16	--	--	0.08	0.45	--	--	0.02	0.01
Taxable returns, total	0.62	0.85	7.19	19.91	4.28	4.99	--	--	0.15	0.15
No adjusted gross income.....	21 16	8 16	--	--	12.95	13.95	--	--	13.40	16.10
\$1 under \$5,000.....	17.97	22.42	-- 99.85	-- 79.72	--	--	--	--	3.23	8.33
\$5,000 under \$10,000.....	6.45	8.32	25.25	30.90	81.93	81.93	--	--	1.54	2.25
\$10,000 under \$15,000.....	4.22	5.13	22.05	41.64	72.27	91.81	--	--	1.22	1.54
\$15,000 under \$20,000.....	3.94	5.04	26.82	37.73	74.00	95.47	--	--	1.20	1.42
\$20,000 under \$25,000.....	4.03	5.37	27.84	41.89	99.95	99.95	--	--	1.21	1.40
\$25,000 under \$30,000.....	4.06	5.72	35.80	64.43	58.86	68.29	--	--	1.22	1.37
\$30,000 under \$40,000.....	2.79	4.04	22.23	28.55	65.25	66.50	--	--	0.86	0.97
\$40,000 under \$50,000.....	2.72	4.16	25.36	38.68	43.50	53.47	--	--	0.84	0.98
\$50,000 under \$75,000.....	1.76	2.74	17.11	28.20	21.94	29.09	--	--	0.54	0.65
\$75,000 under \$100,000.....	2.07	3.09	19.04	60.18	22.93	33.95	--	--	0.70	0.80
\$100,000 under \$200,000.....	1.52	1.98	24.10	47.06	10.60	20.11	--	--	0.63	0.62
\$200,000 under \$500,000.....	1.49	1.99	-- 25.91	-- 40.38	6.11	10.65	--	--	0.73	0.69
\$500,000 under \$1,000,000.....	1.69	2.38	--	--	5.00	11.51	--	--	0.90	0.98
\$1,000,000 or more.....	0.86	1.08	--	--	1.72	2.41	--	--	0.50	0.22
Nontaxable returns, total	0.78	1.33	7.59	11.61	14.31	18.23	1.05	1.49	1.22	2.11

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax payments									
	Total		Income tax withheld		Estimated tax payments		Additional child tax credit		Payments with request for extension of filing time	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)
All returns, total	0.07	0.15	0.08	0.19	0.68	0.44	0.69	0.92	1.66	0.50
No adjusted gross income	2.53	3.38	2.90	3.97	5.74	6.14	6.26	7.33	12.16	7.03
\$1 under \$5,000	0.98	2.56	0.99	2.28	6.51	10.66	12.42	15.57	14.02	27.00
\$5,000 under \$10,000	0.91	1.29	0.93	1.28	5.10	6.95	8.28	9.79	12.57	18.47
\$10,000 under \$15,000	0.91	1.19	0.93	1.17	4.24	6.40	1.89	2.48	13.90	19.33
\$15,000 under \$20,000	0.90	1.20	0.92	1.12	4.05	8.10	1.67	1.79	13.84	18.45
\$20,000 under \$25,000	0.95	1.14	0.97	1.11	4.28	6.84	1.78	2.05	13.68	27.34
\$25,000 under \$30,000	1.00	1.14	1.02	1.15	4.04	5.96	2.09	2.44	14.17	20.31
\$30,000 under \$40,000	0.76	0.86	0.78	0.88	2.98	3.96	1.95	2.39	10.00	12.90
\$40,000 under \$50,000	0.78	0.91	0.80	0.91	2.98	4.81	2.75	3.54	10.32	16.24
\$50,000 under \$75,000	0.52	0.61	0.53	0.62	1.94	2.56	3.39	4.51	6.06	8.67
\$75,000 under \$100,000	0.70	0.78	0.72	0.81	2.25	2.84	9.51	13.33	6.51	10.23
\$100,000 under \$200,000	0.63	0.65	0.66	0.72	1.50	1.75	20.19	24.89	3.56	4.16
\$200,000 under \$500,000	0.74	0.75	0.82	0.96	1.23	1.43	--	--	2.51	3.01
\$500,000 under \$1,000,000	0.99	0.98	1.13	1.40	1.31	1.52	--	--	2.26	2.62
\$1,000,000 under \$1,500,000	1.22	1.32	1.40	1.90	1.49	1.88	--	--	2.19	2.61
\$1,500,000 under \$2,000,000	0.93	1.06	1.07	1.58	1.16	1.56	--	--	1.74	2.22
\$2,000,000 under \$5,000,000	0.51	0.51	0.60	0.92	0.63	0.78	--	--	0.86	1.01
\$5,000,000 under \$10,000,000	0.55	0.51	0.62	0.89	0.62	0.66	--	--	0.76	0.76
\$10,000,000 or more	0.02	0.01	0.02	--	0.02	0.03	--	--	0.03	0.01
Taxable returns, total	0.16	0.15	0.17	0.21	0.73	0.45	25.57	31.46	1.71	0.50
No adjusted gross income	16.49	8.95	19.19	16.26	22.95	16.16	81.72	81.72	30.93	9.27
\$1 under \$5,000	4.94	17.79	5.24	17.35	16.08	28.67	--	--	20.87	40.43
\$5,000 under \$10,000	1.61	1.95	1.63	1.95	12.00	17.92	--	--	20.56	25.85
\$10,000 under \$15,000	1.30	1.54	1.33	1.52	5.75	9.51	--	--	17.68	24.68
\$15,000 under \$20,000	1.24	1.58	1.27	1.43	5.04	11.73	--	--	16.40	22.13
\$20,000 under \$25,000	1.24	1.43	1.27	1.40	4.88	7.88	99.95	99.95	16.02	33.84
\$25,000 under \$30,000	1.24	1.36	1.27	1.37	4.52	6.96	99.92	99.92	16.46	24.99
\$30,000 under \$40,000	0.87	0.95	0.89	0.97	3.25	4.33	41.78	51.42	11.47	14.94
\$40,000 under \$50,000	0.85	0.96	0.87	0.97	3.13	4.87	38.54	49.10	11.09	17.77
\$50,000 under \$75,000	0.54	0.62	0.55	0.64	1.97	2.62	99.92	99.92	6.27	9.06
\$75,000 under \$100,000	0.70	0.78	0.72	0.81	2.26	2.86	--	--	6.60	10.44
\$100,000 under \$200,000	0.63	0.65	0.67	0.72	1.50	1.75	--	--	3.57	4.18
\$200,000 under \$500,000	0.74	0.75	0.82	0.96	1.23	1.43	--	--	2.51	3.02
\$500,000 under \$1,000,000	0.99	0.98	1.13	1.40	1.31	1.52	--	--	2.26	2.62
\$1,000,000 or more	0.50	0.23	0.59	0.48	0.61	0.37	--	--	0.83	0.33
Nontaxable returns, total	0.39	0.79	0.40	0.79	2.26	3.27	0.69	0.92	6.28	6.67

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax payments--continued								Earned income credit refundable portion		
	Excess social security taxes withheld		Credit for Federal tax on gasoline and special fuels		Credit from regulated investment companies		Health coverage credit		Number of returns	Amount	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount			
	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	
All returns, total.....	2.05	2.27	4.14	9.77	16.91	6.52	22.18	26.35	0.56	0.72	
No adjusted gross income	19.93	19.15	11.52	13.17	96.61	98.46	93.64	93.64	6.45	9.46	
\$1 under \$5,000.....	99.83	99.83	19.43	39.71	99.95	99.95	--	--	1.90	2.64	
\$5,000 under \$10,000.....	58.32	61.18	18.02	26.66	93.64	93.64	72.27	79.55	1.41	1.77	
\$10,000 under \$15,000.....	--	--	18.21	36.24	99.75	99.75	--	--	1.53	1.68	
\$15,000 under \$20,000.....	83.20	78.27	18.83	26.78	99.92	99.92	99.92	99.92	1.65	1.78	
\$20,000 under \$25,000.....	79.22	92.27	17.75	34.63	91.70	91.70	** 23.92	** 28.55	1.78	1.96	
\$25,000 under \$30,000.....	--	--	16.79	22.61	99.93	99.93	**	**	2.10	2.41	
\$30,000 under \$40,000.....	55.34	54.51	12.03	27.12	79.35	89.15	**	**	2.74	3.28	
\$40,000 under \$50,000.....	71.65	95.37	14.23	55.66	73.76	97.65	**	**	--	--	
\$50,000 under \$75,000.....	32.25	40.66	11.37	25.16	41.44	81.44	**	**	--	--	
\$75,000 under \$100,000.....	7.06	10.57	14.02	20.97	98.51	94.79	**	**	--	--	
\$100,000 under \$200,000.....	2.98	3.80	13.03	21.44	32.00	39.05	**	**	--	--	
\$200,000 under \$500,000.....	2.90	3.89	20.31	34.74	27.54	44.37	**	**	--	--	
\$500,000 under \$1,000,000.....	3.65	4.90	** 10.20	** 13.66	** 14.22	** 3.41	98.70	98.70	--	--	
\$1,000,000 under \$1,500,000.....	4.18	5.25	**	**	**	**	--	--	--	--	
\$1,500,000 under \$2,000,000.....	3.25	4.21	**	**	**	**	82.13	82.13	--	--	
\$2,000,000 under \$5,000,000.....	1.86	2.46	**	**	**	**	--	--	--	--	
\$5,000,000 under \$10,000,000.....	1.67	1.87	**	**	**	**	--	--	--	--	
\$10,000,000 or more.....	--	--	**	**	**	**	--	--	--	--	
Taxable returns, total.....	2.06	2.28	5.26	13.91	17.79	6.26	24.28	29.78	0.56	0.72	
No adjusted gross income	18.16	24.56	** 48.79	** 33.89	42.60	72.39	--	--	--	--	
\$1 under \$5,000.....	99.83	99.83	**	**	--	--	--	--	--	--	
\$5,000 under \$10,000.....	--	--	74.22	63.24	93.64	93.64	--	--	--	--	
\$10,000 under \$15,000.....	--	--	38.55	61.94	--	--	--	--	--	--	
\$15,000 under \$20,000.....	--	--	30.76	57.21	99.92	99.92	--	--	--	--	
\$20,000 under \$25,000.....	99.92	99.92	21.17	30.62	--	--	** 24.38	** 29.79	--	--	
\$25,000 under \$30,000.....	--	--	22.04	30.79	--	--	**	**	--	--	
\$30,000 under \$40,000.....	70.60	70.29	15.26	19.94	96.78	77.21	**	**	--	--	
\$40,000 under \$50,000.....	98.85	97.64	14.97	57.64	73.76	97.65	**	**	--	--	
\$50,000 under \$75,000.....	33.53	45.12	11.82	27.05	41.72	81.47	**	**	--	--	
\$75,000 under \$100,000.....	7.13	10.72	14.25	19.50	99.83	99.83	**	**	--	--	
\$100,000 under \$200,000.....	2.98	3.80	13.04	21.46	32.06	39.47	**	**	--	--	
\$200,000 under \$500,000.....	2.90	3.89	20.37	34.80	27.59	44.55	**	**	--	--	
\$500,000 under \$1,000,000.....	3.65	4.90	** 10.21	** 13.72	** 14.25	** 3.41	98.70	98.70	--	--	
\$1,000,000 or more.....	1.78	2.16	**	**	**	**	82.13	82.13	--	--	
Nontaxable returns, total.....	21.60	21.92	6.84	13.72	47.32	66.65	51.02	55.75	0.56	0.72	

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
	Total			Refunded			Credited to 2005 estimated tax		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)
All returns, total.....	0.12	0.29	0.13	0.31	1.16	0.78	0.47	0.53	0.97	1.07
No adjusted gross income...	2.57	3.27	2.71	3.49	7.44	8.06	5.33	8.73	10.81	11.03
\$1 under \$5,000	0.96	1.94	0.96	1.93	8.82	14.01	2.26	3.55	19.67	25.21
\$5,000 under \$10,000	0.90	1.34	0.91	1.34	7.95	11.92	2.37	3.44	6.87	7.64
\$10,000 under \$15,000	0.91	1.30	0.92	1.30	6.65	11.56	2.40	3.55	5.99	6.78
\$15,000 under \$20,000	0.93	1.33	0.94	1.33	6.21	11.42	2.47	3.78	5.96	6.81
\$20,000 under \$25,000	1.00	1.38	1.00	1.38	6.78	11.69	2.55	3.93	5.64	7.31
\$25,000 under \$30,000	1.07	1.44	1.08	1.45	6.95	10.15	2.54	3.96	5.70	7.56
\$30,000 under \$40,000	0.84	1.11	0.85	1.11	4.93	8.25	1.87	2.98	3.98	5.59
\$40,000 under \$50,000	0.89	1.29	0.91	1.28	5.09	13.19	1.92	3.01	3.95	5.94
\$50,000 under \$75,000	0.64	0.92	0.65	0.93	3.48	5.46	1.28	2.09	2.57	3.91
\$75,000 under \$100,000	0.87	1.25	0.90	1.26	3.91	6.01	1.68	2.60	3.07	4.66
\$100,000 under \$200,000	0.91	1.28	0.97	1.35	2.54	3.44	1.18	1.57	2.07	3.06
\$200,000 under \$500,000	1.33	1.98	1.71	2.47	2.03	2.99	1.09	1.48	1.76	2.68
\$500,000 under \$1,000,000	1.58	2.16	2.46	3.53	2.00	2.55	1.46	1.83	2.06	3.18
\$1,000,000 under \$1,500,000	1.79	4.32	3.06	5.10	2.11	5.36	1.79	2.27	2.34	4.07
\$1,500,000 under \$2,000,000	1.43	2.26	2.50	4.44	1.70	2.46	1.45	2.05	2.02	3.84
\$2,000,000 under \$5,000,000	0.75	1.05	1.47	2.20	0.87	1.15	0.91	1.17	1.18	2.26
\$5,000,000 under \$10,000,000	0.69	0.74	1.33	1.28	0.76	0.83	0.98	1.10	1.15	2.05
\$10,000,000 or more	0.03	0.02	--	--	0.03	0.02	--	--	--	--
Taxable returns, total.....	0.23	0.37	0.24	0.41	1.25	0.78	0.50	0.54	1.02	1.10
No adjusted gross income	19.49	9.57	25.57	9.86	25.80	15.84	18.49	28.18	31.58	31.39
\$1 under \$5,000	6.11	17.41	6.42	19.53	17.65	30.04	3.86	5.81	81.72	81.72
\$5,000 under \$10,000	1.73	2.25	1.74	2.24	18.10	34.10	3.53	5.71	13.96	15.44
\$10,000 under \$15,000	1.40	1.87	1.41	1.87	9.34	15.13	2.66	4.11	7.79	8.74
\$15,000 under \$20,000	1.36	2.39	1.38	2.21	8.02	19.30	2.64	4.18	6.98	8.04
\$20,000 under \$25,000	1.37	2.05	1.38	2.00	8.03	13.14	2.71	4.34	6.46	8.54
\$25,000 under \$30,000	1.38	1.86	1.40	1.85	8.14	12.36	2.67	4.27	6.39	8.65
\$30,000 under \$40,000	0.98	1.26	0.99	1.27	5.45	9.71	1.95	3.18	4.35	6.25
\$40,000 under \$50,000	0.99	1.42	1.00	1.43	5.38	7.73	1.96	3.11	4.12	6.30
\$50,000 under \$75,000	0.67	0.96	0.68	0.97	3.58	5.75	1.30	2.12	2.62	4.01
\$75,000 under \$100,000	0.88	1.25	0.91	1.27	3.94	6.11	1.68	2.61	3.08	4.70
\$100,000 under \$200,000	0.91	1.27	0.97	1.35	2.55	3.43	1.18	1.58	2.07	3.06
\$200,000 under \$500,000	1.33	2.00	1.71	2.50	2.04	3.01	1.09	1.48	1.76	2.68
\$500,000 under \$1,000,000	1.59	2.17	2.47	3.57	2.00	2.56	1.47	1.83	2.07	3.18
\$1,000,000 or more	0.73	0.64	1.44	1.15	0.83	0.71	0.87	0.64	1.14	1.29
Nontaxable returns, total.....	0.37	0.57	0.37	0.57	3.33	5.75	1.52	2.57	3.51	4.36

** Data combined to prevent disclosure of certain taxpayer information.

Table 3.4--Returns with Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax Was Computed

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Tax rate classes	Classified by the highest marginal rate at which tax was computed								
	Number of returns	Adjusted gross income less deficit	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
								Adjusted gross income	Modified taxable income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns									
All tax rates	104,321,332	7,243,017,707	5,136,900,575	1,829,827,969	972,712,962	425,379,487	934,409,943	12.9	18.2
5 percent	1,186,478	27,292,174	8,366,689	8,366,151	418,410	418,308	403,858	1.5	4.8
8 percent	*651	*5,922	*100	*100	*8	*8	*8	*0.1	*8.0
10 percent	25,486,770	501,607,677	130,863,770	107,060,866	12,611,894	10,706,087	6,716,498	1.3	5.1
10 percent (capital gains)	8,510	233,955	94,974	43,875	9,328	4,388	5,355	2.3	5.6
10 percent (Form 8814)	13,542	-119,914	7,421	7,421	748	748	751	[1]	10.1
15 percent	40,828,626	1,734,480,254	1,028,305,402	589,968,709	132,330,144	88,495,306	106,483,937	6.1	10.4
15 percent (capital gains)	8,492,769	712,422,995	494,814,177	192,438,330	64,396,265	28,865,750	62,147,890	8.7	12.6
20 percent	2,960	319,784	264,683	116,280	42,933	23,256	42,993	13.4	16.2
25 percent	21,625,799	1,891,267,772	1,411,063,695	241,641,320	237,515,000	60,410,330	231,580,832	12.2	16.4
25 percent (capital gains)	371,017	82,326,646	70,819,356	6,600,279	11,787,533	1,650,070	12,301,776	14.9	17.4
28 percent	3,703,217	624,139,487	503,828,147	36,359,970	104,491,346	10,180,792	107,142,800	17.2	21.3
28 percent (capital gains)	26,785	5,609,027	4,603,788	832,520	881,324	233,106	902,279	16.1	19.6
33 percent	1,479,592	453,258,305	387,519,395	79,066,568	92,351,980	26,091,967	96,058,654	21.2	24.8
35 percent	953,005	1,207,912,323	1,094,229,516	565,391,974	315,443,028	197,887,191	310,204,650	25.7	28.3
Form 8615	141,612	2,261,298	2,119,463	1,933,607	433,021	412,180	417,662	18.5	19.7
Joint returns and returns of surviving spouses									
All tax rates	45,007,708	4,891,752,548	3,551,237,350	1,216,824,612	696,862,149	301,015,458	671,351,329	13.7	18.9
5 percent	337,555	15,593,888	4,641,531	4,641,039	232,115	232,052	217,500	1.4	4.7
8 percent	--	--	--	--	--	--	--	[1]	[1]
10 percent	7,461,675	233,071,784	58,906,005	43,502,147	5,600,412	4,350,215	2,787,483	1.2	4.7
10 percent (capital gains)	*4,213	*160,171	*77,716	*42,117	*7,719	*4,212	*3,955	*2.5	*5.1
10 percent (Form 8814)	8,353	-138,525	5,539	5,539	558	558	486	[1]	8.8
15 percent	16,709,755	1,016,954,164	596,232,724	352,266,290	77,237,085	52,839,944	59,722,954	5.9	10.0
15 percent (capital gains)	5,529,189	533,899,738	367,124,356	130,867,940	47,725,496	19,630,191	45,336,826	8.5	12.3
20 percent	310	100,236	84,540	23,450	13,020	4,690	13,071	13.0	15.5
25 percent	10,625,520	1,223,905,148	900,834,689	128,754,297	150,094,705	32,188,574	145,089,787	11.9	16.1
25 percent (capital gains)	231,589	61,242,311	52,745,132	4,876,938	8,752,405	1,219,235	9,176,448	15.0	17.4
28 percent	2,143,229	428,592,377	342,510,762	19,098,089	69,815,561	5,347,465	72,015,394	16.8	21.0
28 percent (capital gains)	13,897	3,763,113	3,027,542	588,695	567,498	164,835	584,197	15.5	19.3
33 percent	1,131,196	362,308,081	308,558,893	61,091,865	72,699,532	20,160,315	75,757,072	20.9	24.6
35 percent	811,228	1,012,300,062	916,487,919	471,066,207	264,116,042	164,873,172	260,646,156	25.7	28.4
Form 8615	--	--	--	--	--	--	--	[1]	[1]
Separate returns of married persons									
All tax rates	2,108,485	136,551,605	102,807,654	45,840,105	20,964,163	11,645,238	20,321,871	14.9	19.8
5 percent	10,117	265,965	65,514	65,468	3,280	3,273	1,947	0.7	3.0
8 percent	--	--	--	--	--	--	--	[1]	[1]
10 percent	281,728	4,356,595	1,076,733	966,686	105,098	96,669	87,815	2.0	8.2
10 percent (capital gains)	--	--	--	--	--	--	--	[1]	[1]
10 percent (Form 8814)	*4	*-5,747	*1	*1	--	--	--	[1]	[1]
15 percent	1,008,235	30,389,933	18,374,589	11,014,384	2,388,198	1,652,158	2,122,181	7.0	11.5
15 percent (capital gains)	95,490	12,323,379	9,033,106	6,886,407	1,269,320	1,032,961	1,359,733	11.0	15.1
20 percent	--	--	--	--	--	--	--	[1]	[1]
25 percent	507,982	29,122,958	21,573,852	4,444,021	3,621,185	1,111,005	3,572,521	12.3	16.6
25 percent (capital gains)	4,866	1,315,935	1,171,238	142,800	194,546	35,700	206,740	15.7	17.7
28 percent	124,490	11,759,524	9,490,940	1,073,073	1,948,746	300,460	1,973,749	16.8	20.8
28 percent (capital gains)	*4	*72,165	*65,438	*10,150	*12,265	*2,842	*12,150	16.8	18.6
33 percent	47,797	7,417,725	6,318,419	1,141,011	1,480,170	376,534	1,560,199	21.0	24.7
35 percent	27,773	39,533,171	35,637,825	20,096,103	9,941,356	7,033,636	9,424,838	23.8	26.4
Form 8615	--	--	--	--	--	--	--	[1]	[1]

Footnotes at end of table.

Table 3.4--Returns with Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax Was Computed--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Tax rate classes	Classified by the highest marginal rate at which tax was computed								
	Number of returns	Adjusted gross income less deficit	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
								Adjusted gross income	Modified taxable income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Returns of heads of households									
All tax rates.....	13,214,442	519,901,431	280,638,442	123,429,229	43,513,314	21,562,027	34,017,461	6.5	12.1
5 percent.....	27,244	1,006,091	380,654	380,654	19,036	19,033	15,946	1.6	4.2
8 percent.....	—	—	—	—	—	—	—	[1]	[1]
10 percent.....	5,603,279	121,227,357	27,953,271	27,153,463	2,784,016	2,715,346	275,522	0.2	1.0
10 percent (capital gains).....	*986	*24,349	*2,420	*169	*209	*17	—	[1]	[1]
10 percent (Form 8814).....	*2,989	*18,520	*1,496	*1,496	*150	*150	—	[1]	[1]
15 percent.....	5,809,929	223,527,504	121,059,959	60,345,067	15,123,445	9,051,760	8,908,451	4.0	7.4
15 percent (capital gains).....	337,494	21,119,665	13,751,169	4,520,490	1,767,498	678,074	1,567,694	7.4	11.4
20 percent.....	*304	*52,824	*45,887	*34,318	*8,020	*6,864	*8,013	*15.2	*17.5
25 percent.....	1,286,824	101,825,294	73,330,222	16,395,359	12,367,097	4,098,840	11,748,378	11.5	16.0
25 percent (capital gains).....	9,489	1,887,609	1,608,546	153,628	274,893	38,407	286,877	15.2	17.8
28 percent.....	75,640	13,176,271	10,440,847	831,399	2,232,697	232,792	2,398,347	18.2	23.0
28 percent (capital gains).....	*305	*109,745	*98,190	*18,723	*17,315	*5,242	*18,289	16.7	18.6
33 percent.....	39,396	11,384,195	9,848,718	2,128,081	2,419,061	702,267	2,546,649	22.4	25.9
35 percent.....	20,566	24,542,007	22,117,064	11,466,385	6,499,877	4,013,235	6,243,295	25.4	28.2
Form 8615.....	—	—	—	—	—	—	—	[1]	[1]
Returns of single persons									
All tax rates.....	43,990,697	1,694,812,122	1,202,217,129	443,734,023	211,373,335	91,156,766	208,719,282	12.3	17.4
5 percent.....	811,563	10,426,230	3,278,989	3,278,989	163,979	163,949	168,464	1.6	5.1
8 percent.....	*651	*5,922	*100	*100	*8	*8	*8	*0.1	*8.0
10 percent.....	12,140,088	142,951,942	42,927,761	35,438,570	4,122,368	3,543,857	3,565,678	2.5	8.3
10 percent (capital gains).....	*3,311	*49,436	*14,838	*1,590	*1,401	*159	*1,401	*2.8	*9.4
10 percent (Form 8814).....	*2,197	*5,837	*384	*384	*40	*40	*265	*4.5	*69.0
15 percent.....	17,300,707	463,608,653	292,638,130	166,342,968	37,581,416	24,951,445	35,730,352	7.7	12.2
15 percent (capital gains).....	2,530,597	145,080,212	104,905,546	50,163,493	13,633,951	7,524,524	13,883,637	9.6	13.2
20 percent.....	2,346	166,724	134,256	58,513	21,892	11,703	21,909	13.1	16.3
25 percent.....	9,205,473	536,414,371	415,324,933	92,047,643	71,432,013	23,011,911	71,170,147	13.3	17.1
25 percent (capital gains).....	125,074	17,880,791	15,294,440	1,426,913	2,565,689	356,728	2,631,711	14.7	17.2
28 percent.....	1,359,858	170,611,315	141,385,599	15,357,409	30,494,342	4,300,075	30,755,310	18.0	21.8
28 percent (capital gains).....	12,578	1,664,005	1,412,618	214,953	284,247	60,187	287,643	17.3	20.4
33 percent.....	261,204	72,148,302	62,793,365	14,705,611	15,753,217	4,852,852	16,194,733	22.4	25.8
35 percent.....	93,438	131,537,083	119,986,708	62,763,279	34,885,751	21,967,148	33,890,360	25.8	28.2
Form 8615.....	141,612	2,261,298	2,119,463	1,933,607	433,021	412,180	417,662	18.5	19.7

* Estimate should be used with caution due to the small number of sample returns on which it is based.

[1] Percentage not computed

Table 3.5--Returns with Modified Taxable Income: Tax Generated, by Rate and by Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at specified rate					
					5 percent			8 percent		
					Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total.....	104,321,332	5,137,137,809	5,136,900,575	972,712,962	12,608,155	66,355,442	3,318,085	*3,328	*11,841	*947
Under \$2,000.....	332,329	150,737	153,356	10,715	211,765	97,452	4,879	--	--	--
\$2,000 under \$4,000.....	363,198	448,522	452,544	37,480	226,958	223,526	11,182	--	--	--
\$4,000 under \$6,000.....	958,104	888,836	888,849	84,193	181,528	236,306	11,818	--	--	--
\$6,000 under \$8,000.....	1,106,781	2,340,695	2,342,803	229,186	148,146	221,041	11,051	--	--	--
\$8,000 under \$10,000.....	2,370,122	4,526,677	4,527,971	442,307	199,072	264,606	13,241	*651	*100	*8
\$10,000 under \$12,000.....	2,589,099	8,130,807	8,131,473	797,709	257,721	365,566	18,280	--	--	--
\$12,000 under \$14,000.....	2,598,061	11,871,800	11,873,094	1,178,715	267,041	415,451	20,784	--	--	--
\$14,000 under \$16,000.....	2,991,349	16,641,877	16,645,702	1,671,832	271,226	496,827	24,850	--	--	--
\$16,000 under \$18,000.....	3,306,335	21,460,916	21,466,533	2,267,712	292,038	608,894	30,448	--	--	--
\$18,000 under \$20,000.....	3,583,235	26,124,481	26,128,826	2,900,117	346,238	596,165	29,816	--	--	--
\$20,000 under \$25,000.....	8,780,721	85,496,749	85,545,976	9,888,565	839,218	1,691,810	84,617	*986	*50	*4
\$25,000 under \$30,000.....	8,311,926	113,233,995	113,250,263	13,592,847	854,517	2,318,932	115,974	--	--	--
\$30,000 under \$40,000.....	13,558,142	263,349,704	263,385,954	32,844,794	1,677,185	4,907,611	245,409	--	--	--
\$40,000 under \$50,000.....	10,472,437	285,012,273	285,046,843	38,443,590	1,340,457	5,187,542	259,398	*997	*175	*14
\$50,000 under \$75,000.....	18,236,789	730,289,744	730,331,501	105,556,349	2,955,917	13,627,077	681,440	*655	*11,479	*918
\$75,000 under \$100,000.....	10,420,964	621,931,856	621,926,019	94,687,328	1,611,476	11,791,943	589,641	*440	*37	*3
\$100,000 under \$200,000.....	10,782,164	1,054,728,764	1,054,664,756	192,474,765	679,156	14,630,737	731,554	--	--	--
\$200,000 under \$500,000.....	2,733,040	657,160,294	657,082,123	152,646,998	181,559	5,898,817	294,944	--	--	--
\$500,000 under \$1,000,000.....	523,352	313,445,881	313,355,620	83,871,841	38,075	1,473,113	73,657	--	--	--
\$1,000,000 under \$1,500,000.....	127,680	138,339,811	138,293,024	38,338,032	11,105	468,823	23,441	--	--	--
\$1,500,000 under \$2,000,000.....	56,508	87,812,010	87,771,580	24,189,349	5,082	223,770	11,189	--	--	--
\$2,000,000 under \$5,000,000.....	83,885	226,492,549	226,432,948	61,785,443	8,108	382,578	19,129	--	--	--
\$5,000,000 under \$10,000,000.....	21,381	132,899,011	132,869,081	35,001,479	2,545	123,602	6,180	**	**	**
\$10,000,000 or more.....	13,733	334,359,818	334,333,736	79,761,612	2,023	103,251	5,163	--	--	--

Size of adjusted gross income	Tax generated at specified rate--continued								
	10 percent			10 percent (capital gains)			10 percent (from Form 8814)		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Total.....	102,754,108	978,752,225	97,875,223	20,059	92,675	9,268	129,502	67,007	6,735
Under \$2,000.....	150,006	49,397	4,940	--	--	--	2,871	2,608	262
\$2,000 under \$4,000.....	213,975	183,127	18,313	--	--	--	--	--	--
\$4,000 under \$6,000.....	865,598	570,472	57,047	--	--	--	*31	*3	[1]
\$6,000 under \$8,000.....	1,080,499	2,055,973	205,597	--	--	--	--	--	--
\$8,000 under \$10,000.....	2,286,301	4,214,150	421,415	*651	*49	*5	*1,953	*1,195	*120
\$10,000 under \$12,000.....	2,506,961	7,673,030	767,303	--	--	--	*1,532	*281	*29
\$12,000 under \$14,000.....	2,545,750	11,249,404	1,124,940	*1,005	*95	*10	*3,499	*479	*50
\$14,000 under \$16,000.....	2,934,558	15,494,044	1,549,404	*1,005	*1,331	*133	*1,966	*662	*66
\$16,000 under \$18,000.....	3,258,952	17,869,645	1,786,965	*651	*189	*19	*986	*136	*15
\$18,000 under \$20,000.....	3,506,309	19,239,835	1,923,984	--	--	--	*107	*19	*2
\$20,000 under \$25,000.....	8,679,959	55,598,408	5,559,841	*2,260	*302	*30	*2,974	*263	*28
\$25,000 under \$30,000.....	8,243,108	63,376,554	6,337,655	*624	*1,904	*190	*4,538	*1,897	*191
\$30,000 under \$40,000.....	13,470,300	124,878,641	12,487,864	*3,941	*14,778	*1,478	10,008	3,291	334
\$40,000 under \$50,000.....	10,409,678	110,550,169	11,055,017	*2,272	*14,725	*1,472	6,910	2,088	212
\$50,000 under \$75,000.....	18,143,302	217,770,560	21,777,056	**7,155	**42,529	**4254	23,898	8,173	824
\$75,000 under \$100,000.....	10,357,352	136,641,718	13,664,172	**	**	**	10,959	3,804	383
\$100,000 under \$200,000.....	10,655,574	144,643,144	14,464,314	**449	**15,897	**1,590	30,695	19,171	1,923
\$200,000 under \$500,000.....	2,664,233	36,130,124	3,613,012	**	**	**	16,732	13,310	1,332
\$500,000 under \$1,000,000.....	501,064	6,788,032	678,803	**43	**754	**76	5,454	5,421	542
\$1,000,000 under \$1,500,000.....	119,825	1,612,328	161,233	**	**	**	1,529	1,286	129
\$1,500,000 under \$2,000,000.....	52,806	713,549	71,355	--	--	--	943	970	97
\$2,000,000 under \$5,000,000.....	77,148	1,038,682	103,868	--	--	--	1,313	1,335	134
\$5,000,000 under \$10,000,000.....	19,069	255,099	25,510	*3	*123	*12	331	335	33
\$10,000,000 or more.....	11,781	156,140	15,614	--	--	--	273	283	28

Footnotes at end of table

Table 3.5--Returns with Modified Taxable Income: Tax Generated, by Rate and by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax generated at specified rate--continued								
	15 percent			15 percent (capital gains)			20 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Total.....	77,067,321	1,720,036,721	258,005,508	12,249,826	605,997,994	90,900,009	13,585	262,511	52,503
Under \$2,000.....	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000.....	—	—	—	—	—	—	—	—	—
\$4,000 under \$6,000.....	—	—	—	—	—	—	—	—	—
\$6,000 under \$8,000.....	—	—	—	—	—	—	—	—	—
\$8,000 under \$10,000.....	8,220	7,635	1,145	—	—	—	—	—	—
\$10,000 under \$12,000.....	*7,616	*10,220	*1,533	—	—	—	—	—	—
\$12,000 under \$14,000.....	229,932	188,271	28,241	—	—	—	—	—	—
\$14,000 under \$16,000.....	609,335	604,516	90,677	—	—	—	—	—	—
\$16,000 under \$18,000.....	1,845,255	2,965,143	444,771	—	—	—	—	—	—
\$18,000 under \$20,000.....	1,890,537	6,281,407	942,211	—	—	—	—	—	—
\$20,000 under \$25,000.....	4,689,913	28,180,958	4,227,144	—	—	—	—	—	—
\$25,000 under \$30,000.....	5,288,451	47,466,775	7,120,016	—	—	—	—	—	—
\$30,000 under \$40,000.....	10,755,590	132,775,166	19,916,275	73,364	55,069	8,262	*1,005	*1,565	*313
\$40,000 under \$50,000.....	9,719,534	150,596,165	22,589,425	643,883	1,340,249	201,066	*2,259	*8,254	*1,651
\$50,000 under \$75,000.....	17,751,031	409,648,226	61,447,234	1,489,111	6,530,049	979,540	*2,814	*12,898	*2,580
\$75,000 under \$100,000.....	10,270,871	370,045,224	55,506,784	2,177,301	10,315,364	1,547,366	*1,552	*5,421	*1,085
\$100,000 under \$200,000.....	10,579,398	430,919,480	64,637,922	5,094,736	54,416,417	8,162,563	4,761	51,614	10,323
\$200,000 under \$500,000.....	2,645,244	108,449,214	16,267,382	2,036,408	92,413,743	13,862,128	889	9,878	1,976
\$500,000 under \$1,000,000.....	497,157	20,464,288	3,069,643	454,604	66,718,338	10,007,762	194	67,550	13,510
\$1,000,000 under \$1,500,000.....	119,120	4,871,640	730,746	115,847	34,845,051	5,226,761	*12	*866	*173
\$1,500,000 under \$2,000,000.....	52,503	2,155,770	323,366	52,056	25,591,193	3,838,680	*39	*17,104	*3,421
\$2,000,000 under \$5,000,000.....	76,830	3,153,000	472,950	78,676	76,365,041	11,454,758	*36	*12,071	*2,414
\$5,000,000 under \$10,000,000.....	19,016	776,728	116,509	20,466	54,250,845	8,137,627	16	39,198	7,840
\$10,000,000 or more.....	11,767	476,895	71,534	13,374	183,156,633	27,473,495	*7	*36,092	*7,218

Size of adjusted gross income	Tax generated at specified rate--continued								
	25 percent			25 percent (capital gains)			28 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
Total.....	28,087,498	720,621,785	180,155,446	676,189	14,947,825	3,737,032	6,143,950	243,295,195	68,122,655
Under \$2,000.....	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000.....	—	—	—	—	—	—	—	—	—
\$4,000 under \$6,000.....	—	—	—	—	—	—	—	—	—
\$6,000 under \$8,000.....	—	—	—	—	—	—	—	—	—
\$8,000 under \$10,000.....	—	—	—	—	—	—	—	—	—
\$10,000 under \$12,000.....	—	—	—	—	—	—	—	—	—
\$12,000 under \$14,000.....	—	—	—	—	—	—	—	—	—
\$14,000 under \$16,000.....	—	—	—	—	—	—	—	—	—
\$16,000 under \$18,000.....	—	—	—	—	—	—	—	—	—
\$18,000 under \$20,000.....	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000.....	*651	*9,774	*2,444	—	—	—	—	—	—
\$25,000 under \$30,000.....	—	—	—	—	—	—	—	—	—
\$30,000 under \$40,000.....	629,589	668,258	167,065	*997	*291	*73	—	—	—
\$40,000 under \$50,000.....	3,191,138	17,276,858	4,319,215	12,720	3,673	919	—	—	—
\$50,000 under \$75,000.....	5,439,071	82,380,227	20,595,057	48,550	81,697	20,431	18,796	62,349	17,458
\$75,000 under \$100,000.....	5,761,272	89,357,253	22,339,313	73,760	210,257	52,569	506,484	3,486,158	976,124
\$100,000 under \$200,000.....	9,792,108	345,893,671	86,473,418	236,600	1,246,265	311,595	2,556,013	60,481,759	16,934,893
\$200,000 under \$500,000.....	2,525,305	142,414,850	35,603,713	186,591	3,164,971	791,263	2,343,027	134,026,913	37,527,536
\$500,000 under \$1,000,000.....	478,362	27,253,130	6,813,283	61,405	2,243,792	560,956	457,691	28,712,088	8,039,385
\$1,000,000 under \$1,500,000.....	114,908	6,535,296	1,633,824	18,930	1,093,927	273,484	111,110	7,045,108	1,972,630
\$1,500,000 under \$2,000,000.....	50,707	2,885,586	721,397	9,965	856,861	214,216	48,891	3,060,452	856,927
\$2,000,000 under \$5,000,000.....	74,574	4,253,648	1,063,412	17,340	2,082,547	520,639	72,558	4,568,507	1,279,182
\$5,000,000 under \$10,000,000.....	18,420	1,048,881	262,220	5,225	1,295,001	323,751	18,092	1,143,653	320,223
\$10,000,000 or more.....	11,394	644,353	161,088	4,108	2,668,544	667,137	11,288	708,208	198,298

Footnotes at end of table

Table 3.5--Returns with Modified Taxable Income: Tax Generated, by Rate and by Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax generated at specified rate--continued											
	28 percent (capital gains)			33 percent			35 percent			Form 8615		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)
Total.....	34,972	1,775,748	497,209	2,432,597	217,358,025	71,728,148	953,005	565,391,974	197,887,191	141,612	1,933,607	412,180
Under \$2,000.....	--	--	--	--	--	--	--	--	--	19,866	3,899	621
\$2,000 under \$4,000.....	--	--	--	--	--	--	--	--	--	44,706	45,891	7,961
\$4,000 under \$6,000.....	--	--	--	--	--	--	--	--	--	24,124	82,068	15,261
\$6,000 under \$8,000.....	--	--	--	--	--	--	--	--	--	11,892	65,789	12,491
\$8,000 under \$10,000.....	--	--	--	--	--	--	--	--	--	*5,862	*40,236	*6,276
\$10,000 under \$12,000.....	--	--	--	--	--	--	--	--	--	9,141	82,377	10,460
\$12,000 under \$14,000.....	--	--	--	--	--	--	--	--	--	*2,293	*19,394	*4,539
\$14,000 under \$16,000.....	--	--	--	--	--	--	--	--	--	*4,245	*48,322	*6,559
\$16,000 under \$18,000.....	--	--	--	--	--	--	--	--	--	*1,596	*22,527	*5,335
\$18,000 under \$20,000.....	--	--	--	--	--	--	--	--	--	*651	*11,399	*3,990
\$20,000 under \$25,000.....	--	--	--	--	--	--	--	--	--	*3,213	*64,411	*14,124
\$25,000 under \$30,000.....	--	--	--	--	--	--	--	--	--	*3,240	*84,201	*18,425
\$30,000 under \$40,000.....	--	--	--	--	--	--	--	--	--	*2,549	*81,284	*17,153
\$40,000 under \$50,000.....	*997	*1,522	*427	--	--	--	--	--	--	*1,872	*65,423	*14,304
\$50,000 under \$75,000.....	*4,638	*3,920	*1,098	--	--	--	--	--	--	*2,528	*152,374	*27,697
\$75,000 under \$100,000.....	*6,663	*22,571	*6,319	--	--	--	--	--	--	*624	*46,249	*13,254
\$100,000 under \$200,000.....	11,785	34,667	9,706	116,491	2,100,756	693,249	1,893	20,838	7,293	*1,549	*190,377	*33,637
\$200,000 under \$500,000.....	6,142	162,504	45,501	1,623,713	117,897,740	38,906,254	312,173	16,161,375	5,656,481	1,228	338,647	75,294
\$500,000 under \$1,000,000.....	2,365	272,750	76,370	437,771	61,148,716	20,179,076	397,127	98,011,733	34,304,107	*305	*195,972	*54,624
\$1,000,000 under \$1,500,000.....	621	94,168	26,367	107,940	15,342,141	5,062,907	101,778	66,280,724	23,198,253	*82	*101,609	*28,066
\$1,500,000 under \$2,000,000.....	443	84,756	23,732	47,117	6,697,969	2,210,330	44,850	45,460,455	15,911,159	*16	*23,144	*3,477
\$2,000,000 under \$5,000,000.....	746	379,153	106,163	70,602	10,046,034	3,315,191	67,158	124,086,951	43,430,433	*19	*63,400	*17,161
\$5,000,000 under \$10,000,000.....	271	226,811	63,507	17,794	2,538,636	837,750	17,141	71,116,532	24,890,786	*8	*53,602	*9,525
\$10,000,000 or more.....	300	492,926	138,019	11,170	1,586,033	523,391	10,886	144,253,366	50,488,678	*3	*51,010	*11,946

* Estimate should be used with caution because of the small number of sample returns on which it is based

** Data combined to avoid disclosure of information for specific taxpayers

[1] Less than \$500.

NOTE: Detail may not add to totals because of rounding.

Table 3.6--Returns with Modified Taxable Income: Taxable Income and Tax Classified by Each Rate at Which Tax Was Computed and by Marital Status

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Tax rate class	All returns			Joint returns and returns of surviving spouses			Returns of married persons filing separately		
	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All tax rates.....	104,321,332	5,136,900,575	972,707,439	45,007,708	3,551,237,350	696,859,772	2,108,485	102,807,654	20,964,130
5 percent.....	12,608,155	66,355,442	3,317,772	7,172,164	44,704,860	2,235,243	121,442	655,174	32,759
8 percent.....	*3,327	*11,841	*947	*695	*11,515	*921	--	--	--
10 percent.....	102,754,108	978,752,225	97,875,223	44,530,504	593,793,293	59,379,329	2,090,811	14,226,613	1,422,661
10 percent (capital gains).....	20,059	92,675	9,268	7,796	63,852	6,385	--	--	--
10 percent (Form 8814).....	129,502	67,007	6,735	112,512	62,195	6,247	1,564	172	18
15 percent.....	77,067,321	1,720,036,721	258,005,508	36,990,671	1,145,962,704	171,894,406	1,806,807	27,955,070	4,193,260
15 percent (capital gains).....	12,249,826	605,997,994	90,899,699	8,029,505	449,353,937	67,403,091	206,360	20,547,630	3,082,144
20 percent.....	13,585	262,511	52,502	5,096	95,142	19,028	*342	*491	*98
25 percent.....	28,087,498	720,621,785	180,155,446	14,909,563	480,176,113	120,044,028	711,681	11,825,538	2,956,384
25 percent (capital gains).....	676,189	14,947,825	3,736,956	455,113	11,620,845	2,905,211	11,279	462,106	115,527
28 percent.....	6,143,950	243,295,195	68,122,655	4,088,143	175,306,151	49,085,722	200,060	3,855,597	1,079,567
28 percent (capital gains).....	34,972	1,775,748	497,209	20,083	1,395,789	390,821	102	47,375	13,265
33 percent.....	2,432,597	217,358,025	71,728,148	1,942,423	177,624,746	58,616,166	75,569	3,135,786	1,034,809
35 percent.....	953,005	565,391,974	197,887,191	811,228	471,066,207	164,873,172	27,773	20,096,103	7,033,636
Form 8615.....	141,612	1,933,607	412,180	--	--	--	--	--	--

Tax rate class	Returns of heads of households			Returns of single persons		
	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(10)	(11)	(12)	(13)	(14)	(15)
All tax rates.....	13,214,442	280,638,442	43,512,678	43,990,697	1,202,217,129	211,370,859
5 percent.....	476,078	1,869,881	93,494	4,838,471	19,125,527	956,276
8 percent.....	*985	*50	*4	*1,647	*274	*21
10 percent.....	13,172,306	106,792,695	10,679,270	42,960,488	263,939,624	26,393,962
10 percent (capital gains).....	*3,781	*12,443	*1,244	8,481	16,379	1,638
10 percent (Form 8814).....	13,210	4,246	428	2,216	395	41
15 percent.....	7,565,745	106,964,432	16,044,665	30,704,099	439,154,515	65,873,177
15 percent (capital gains).....	327,570	13,008,393	1,951,259	3,686,390	123,088,034	18,463,205
20 percent.....	*453	*41,961	*8,392	7,693	124,917	24,983
25 percent.....	1,429,752	29,170,445	7,292,611	11,036,502	199,449,690	49,862,422
25 percent (capital gains).....	14,646	298,690	74,673	195,152	2,566,183	641,546
28 percent.....	135,602	5,559,687	1,556,712	1,720,146	58,573,761	16,400,653
28 percent (capital gains).....	831	30,457	8,528	13,957	302,128	84,596
33 percent.....	59,962	5,418,676	1,788,163	354,642	31,178,817	10,289,010
35 percent.....	20,566	11,466,385	4,013,235	93,438	62,763,279	21,967,148
Form 8615.....	--	--	--	141,612	1,933,607	412,180

* Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Detail may not add to totals because of rounding

Section 4

Explanation of Terms

The Explanation of Terms section is designed to clarify the statistical content of this report and should not be construed as an interpretation of the Internal Revenue Code, related regulations, procedures, or policies.

The definitions and explanation in this section relate to column or row titles used in one or more tables in this report. They provide background or limitations to such titles, and are necessary to interpret the statistical tables to which they relate. For each of these titles, the line number of the tax form on which it is reported appears after the title. Definitions marked with the symbol Δ have been revised for 2005 to reflect changes in the law.

Additional Child Tax Credit

(line 68, Form 1040)

See "Child Tax Credit."

Additional Standard Deduction

(included in line 40, Form 1040)

See "Standard Deduction."

Additional Taxes

(line 44, Form 1040)

Taxes calculated on Form 4972, *Tax on Lump-Sum Distributions* were reported here.

Adjusted Gross Income Less Deductions

See "Adjusted Gross Income Less Deficit."

Adjusted Gross Income Less Deficit Δ (line 37, Form 1040)

Income that had to be reported for the calculation of total income (line 22, Form 1040) and of adjusted gross income included the following:

- Compensation for services, including wages, salaries, fees, commissions, tips, taxable fringe benefits, and similar items;
- Taxable interest received;
- Ordinary dividends and capital gain distributions;
- Taxable refunds of state and local income taxes;
- Alimony and separate maintenance

payments;

- Net income derived from a business, profession, or farm;
- Net gain from the sale of capital assets;
- Net gain from the sale of business property;
- Taxable amounts of annuities, pensions, and individual retirement arrangement (IRA) distributions;
- Rents and royalties;
- Distributive share of partnership or S corporation net income;
- Net income from an estate or trust;
- Unemployment compensation;
- Taxable amounts of social security and railroad retirement (Tier 1) payments;
- Taxable distributions from a Coverdell education savings account;
- Taxable distributions from a health savings account (HSA) or Archer MSA;
- Prizes, awards, and gambling winnings;
- Jury duty fees;
- Amounts received that were claimed as a deduction or credit in a prior year;
- Bartering income;
- Alaska permanent fund dividends; and
- Alternative trade adjustment assistance payments;

Some reported income was fully or partially excluded from total income for 2005. The following is a list of such items:

- The cost basis of pension, annuity, or IRA payments or distributions;
- Tax-exempt interest;
- Limited exclusion of social security benefits and railroad retirement benefits (only required to be reported if there was also a taxable amount);
- Limited exclusion of qualified foreign earned income;
- Exclusion of part or all of the gain from sale of principal residence up to \$250,000 (\$500,000 on joint returns); and

From total income, the following statutory adjustments (lines 23 through 35, Form 1040) were subtracted to arrive at adjusted gross income (line 37, Form 1040):

- Educator expenses;
- Certain business expenses of reservists, performing artists, and fee-basis government officials;
- Health savings account deduction;
- Moving expenses;
- One-half of self-employment tax;
- Contributions to self-employed retirement plans (Keogh or simplified employee pension) and certain contributions to IRAs;
- Self-employed health insurance deduction;
- Forfeited interest and penalties incurred by persons who made premature withdrawals of funds from time savings accounts;
- Alimony payments;
- Certain student loan interest;
- Tuition and fees deduction;
- Domestic production activities deduction;
- Forestation or reforestation expenses;
- Foreign housing exclusion;
- Repayments of supplemental unemployment compensation;
- Amount of jury duty pay reported on line 21, Form 1040, that was repaid to employers;
- Attorney fees and court costs paid after October 22, 2004, for actions settled or decided after that date involving certain unlawful discrimination claims but only to the extent of gross income from such actions; and
- Deduction for clean-fuel vehicles;

A deficit occurred if the allowable exclusions and deductions exceeded gross income, (i.e., the amount on line 36 was greater than the amount on line 22).

Adjusted Gross Income or Loss

See "Adjusted Gross Income Less Deficit."

Adjustments

See "Statutory Adjustments."

Adoption Credit Δ

(line 53, Form 1040)

Generally, this nonrefundable credit (reported on Form 8839) was available to taxpayers who paid qualified adoption expenses in 2004 for an adoption that became final in 2005 or later, or for qualified expenses paid in 2005, for an adoption that was final in or before 2005. The credit could have been as much as \$10,630 for each child.

Advance Earned Income Credit Payments

(line 61, Form 1040)

Taxpayers who believed they would be eligible for the earned income credit at the end of the year could have received part of the credit from their employers as an additional payment in their paychecks during the year. Those payments were then shown on the tax return where they either increased the balance due amount or reduced the amount of the overpayment.

Alimony Paid

(line 31a, Form 1040)

Payments made as alimony or separate maintenance counted as a deduction (an adjustment to total income) for the person paying them.

Alimony Received

(line 11, Form 1040)

Payments received as alimony or separate maintenance were income to the person receiving them.

All Other Taxes Δ

(lines 58, 59, 60, 62, 63 Form 1040)

For the statistics in this report, this amount represents the sum of the self-employment tax; additional tax on health savings account distributions; additional tax on Archer MSA distributions; additional tax on Medicare Advantage MSA distributions; tax from the recapture of the investment credit, the low income housing credit, qualified electric vehicle credit, the Indian employment credit, the new markets

credit and credit for employer provided child care facilities; social security and Medicare taxes on tip income, penalty tax on qualified retirement plans; household employment taxes, recapture of federal mortgage subsidy, and other unspecified taxes which included uncollected FICA (or social security) tax on tips; excess golden parachute payments; section 72 penalty taxes; excise tax on stock compensation from an expatriated corporation; an additional tax on income from a nonqualified deferred compensation plan; interest of the tax due from the sale of residential lots and timeshares; and the statistics included tax from recapture of education credits. This differs slightly from the "other taxes" portion of the Form 1040 itself, which included the taxes listed above plus the advance earned income credit payments, received. Another item not included in all other taxes but instead is included in "total income tax" is tax from Form 4970, *Tax on Accumulation Distribution of Trusts*. (See also "Taxable and Nontaxable Returns" and "Total Income Tax.")

Alternative Minimum Tax

(line 45, Form 1040)

The alternative minimum tax (AMT) was levied on income including benefits received in the form of deductions and exclusions, which reduced an individual's regular effective tax rate. These benefits, known as "alternative minimum tax preferences and adjustments," resulted from the treatment that the tax law gave to particular income and expense items. Alternative minimum taxable income (line 28, Form 6251) was defined as taxable income for ordinary income tax purposes adjusted for net operating losses from other tax years plus the amount of adjustments and preferences.

Alternative minimum taxable income (AMTI) was then reduced by an exemption amount determined by filing status and AMTI. If the return was filed jointly by a married couple or a surviving spouse, the maximum amount of the exemption was \$58,000. The maximum amount for a single or head of household taxpayer was \$40,250, and for a married couple filing separately, \$29,000. The

AMT exclusion was phased out if AMTI exceeded certain levels. For single taxpayers, the phase-out began at \$112,500 and ended at \$273,500. For joint returns the range was \$150,000 to \$382,000, and for married couples filing separately, the range was \$75,000 to \$191,000.

If there was an amount remaining after subtracting the exemption, the first \$175,000 (the first \$87,500 if married filing separately) was taxed at a 26 percent rate; any excess was taxed at a 28 percent rate, except that capital gains were taxed at the same rates under the AMT as under the regular income tax. This amount was then reduced by the recalculated alternative minimum tax foreign tax credit, and regular income tax before credits (line 44, Form 1040 minus the regular foreign tax credit, line 47, Form 1040) to arrive at the alternative minimum tax.

Personal credits (such as the child tax credit, child care credit, etc.) could be taken against the AMT.

Archer Medical Savings Account Deduction Δ

(included in line 36, Form 1040)

Certain taxpayers who were covered only by a high-deductible health plan were able to participate in the Archer medical savings account program. The taxpayer was allowed to take a deduction of up to \$1,722.50 (\$3,937.50 for a family) a year for contributions to a medical savings account. The Archer medical savings accounts were used to pay for medical expenses not reimbursable by medical insurance. Form 8853, *Archer MSA's and Long-Term Care Insurance Contracts*, was used for the medical savings accounts.

Basic Standard Deduction

(included in line 40, Form 1040)

See "Standard Deduction."

Business or Profession Net Income or Loss

(line 12, Form 1040)

This source of income or loss was reported by

individuals who were sole proprietors of a nonfarm business, including self-employed members of a profession.

If two or more sole proprietorships were operated by the same taxpayer, the single amount of net income or loss included in the adjusted gross income represented the combined net income and loss from all sole proprietorships. The proprietor was required to exclude investment income from business profits and include it, instead, with the various types of investment income for which separate provisions were made on the individual income tax return.

Total expenses (line 28, Schedule C) were deducted from gross income (line 7, Schedule C) to arrive at a tentative profit or loss. Expenses for business use of the taxpayer's home (line 30, Schedule C) were then deducted to arrive at net income or loss. Compensation of the proprietor was taxable income and, therefore, not allowed as a business deduction in computing net income. The deduction of net operating losses from previous years was not considered a business expense, but was offset against "Other Income" (line 21, Form 1040).

Information on sole proprietorships, business receipts, and expenditures can be found in the Summer 2007 issue of the *Statistics of Income Bulletin*.

Business or Profession Net Income Less Loss

See "Business or Profession Net Income or Loss."

Capital Assets

See "Sales of Capital Assets, Net Gain or Loss."

Capital Gain Distributions Reported on Form 1040

(included in line 13, Form 1040)

Taxpayers who had capital gains strictly from capital gain distributions could enter the amount directly on line 13, Form 1040.

Capital Gain Distributions Reported on Schedule D

(line 13, Schedule D)

See "Sales of Capital Assets, Net Gain or Loss."

Capital Gains and Losses

See "Sales of Capital Assets, Net Gain or Loss."

Casualty or Theft Loss Deduction, Nonbusiness Δ

(line 19, Schedule A)

Nonbusiness casualty and theft losses were deductible, as an itemized deduction, from adjusted gross income to the extent that nonreimbursable net loss for each such casualty or theft exceeded \$100, and the combined amount for all net losses during the year exceeded 10 percent of adjusted gross income. For 2005, casualty and theft losses that occurred in the Hurricane Katrina, Rita, or Wilma disaster areas after August 24, 2005 were not subject to these limitations. (See also "Total Itemized Deductions.")

Casualty or Theft Loss of Income-Producing Property

(included in line 27, Schedule A)

See "Miscellaneous Itemized Deductions."

Certain business expenses of reservist, performing artist, and fee-basis government officials

(line 24, Form 1040)

Qualified business expenses were deductible for reservists, performing artists, and fee-basis state or local government officials, whether or not the taxpayer itemized their deductions.

Child Care Credit

(line 48, Form 1040)

This credit could be claimed by taxpayers who, while employed or looking for work, incurred expenses for the care of dependent children under

age 13, or disabled dependents of any age. Qualified expenses included those for services performed within the home by non-dependent baby-sitters, maids, or cooks. Expenditures paid for the care of children under the age 13 or any other qualified individuals for out-of-home, non-institutional care qualified for the child care credit. If the taxpayer omitted or used an invalid Social Security number or employer identification number (EIN) for the child care provider, the IRS had the authority to use mathematical error procedures to change the child care credit.

The maximum amount of care-related expenses on which the credit could be based with one qualifying child or dependent, was the smaller of earned income or \$3,000; with more than one dependent the credit was based on the smaller of earned income or \$6,000. For returns of married couples filing jointly, earned income refers to the earnings of the spouse with the lesser earned income. Exceptions were allowed if the spouse was disabled or a full-time student.

The credit was equal to 35 percent of eligible expenses for taxpayers with adjusted gross income of \$15,000 or less. The credit was reduced by one percentage point for each \$2,000 or fraction thereof of adjusted gross income in excess of \$15,000 up to \$43,000. The credit remained at 20 percent of expenses for individuals with adjusted gross income over \$43,000.

The amount of the credit which could be claimed was limited to income tax before credits, and any excess was not refundable.

Child Tax Credit Δ

(line 52, Form 1040)

A credit was allowed for each qualifying child under 17. To be a qualifying child, the person had to be a son, daughter, stepchild, grandchild, adopted child, or qualifying foster child for whom the taxpayer claims a dependent exemption. New for 2005, taxpayers, who could not claim children as a dependent exemption, may have been able to claim them for the child tax credit, using form 8901. The taxpayer could claim up to \$1,000 for each child meeting the AGI phase out guidelines. The credit was phased out by \$50 for each \$1,000,

or fraction thereof, that AGI exceeded: \$110,000 for taxpayers filing jointly; \$55,000 for married filing separately; and \$75,000 for single filers, head of households, or widow(ers).

An additional child tax credit could have been refundable. The taxpayer had to meet the general requirements and some additional requirements. The additional child tax credit was not included in credits but instead as a payment (line 68, Form 1040). The credit limit based on earned income was 15 percent of the taxpayers earned income that exceeded \$11,000. Members of the US Armed Forces, who served in a combat zone, had their nontaxable combat pay count as earned income in figuring this credit. For 2005, a taxpayer could have elected to use 2004 earned income in figuring the Additional Child Tax Credit if their 2004 earned income was greater than 2005 and their main home was in the Hurricane Katrina, Rita, or Wilma disaster areas.

Contributions Deduction Δ

(lines 15a-18, Schedule A)

Taxpayers could deduct contributions to certain organizations that were religious, charitable, educational, scientific, or literary in purpose. Contributions could be in cash, property, or out-of-pocket expenses that a taxpayer paid in doing volunteer work for a qualified organization. Contributions were allowed as an itemized deduction on Schedule A. Cash contributions were generally limited to one-half of the taxpayer's AGI, while contributions of capital gain property were generally limited to 30 percent (20 percent in certain cases) of the taxpayers AGI. Contributions which could not be deducted due to the AGI limitation could be carried over to future years (and brought over from previous years). For all charitable contributions of \$250 or more, a written acknowledgment from the qualified recipient organization was required. For 2005, cash contributions paid after August 27, 2005, to a qualified charitable organization were not subject to the overall limitation on itemized deductions or the 50 percent AGI income limitation.

Credit for Federal Tax on Gasoline and Special Fuels

(line 70b, Form 1040)

This refundable credit (claimed on Form 4136) was allowed for federal excise taxes paid on gasoline and special fuels, such as gasohol and diesel fuel, provided the fuel was used for certain purposes (such as farm or non-highway use in a trade or business), bought at a price that included the tax, and a refund of the tax was not requested or received. The credit could reduce unpaid total tax liability or could be refunded.

Credit for the Elderly or Disabled

(line 49, Form 1040)

A credit (claimed on Schedule R) for the elderly or permanently and totally disabled was available to taxpayers age 65 or older (within certain income limitations), and to those taxpayers under age 65 who had retired with a permanent and total disability and who had received taxable income from a public or private employer because of that disability. The income to which the credit could be applied was reduced by nontaxable amounts of social security and railroad retirement benefits, veterans' pensions, and any other pension, annuity, or disability benefits that were excluded from income under any other provisions of the law.

An individual was considered permanently and totally disabled when he or she could not engage in any substantial gainful activity because of a physical or mental condition which had lasted, or was expected to last, at least twelve months, or was determined to be terminal.

The maximum credit available (\$1,125) was limited to total income tax with any excess not refundable, and was reduced if the taxpayer's income exceeded certain levels. Generally, if a taxpayer's income was high enough to require the reporting of social security benefits as taxable income, the taxpayer could not take the credit.

Credit from Regulated Investment Companies

(line 70a, Form 1040)

Taxpayers were required to include in total income any amounts which were allocated to them as undistributed long-term capital gains of regulated investment companies. If investment companies paid tax on the capital gain, taxpayers were entitled to claim a refundable credit (claimed on Form 2439) for their proportionate share of the tax paid.

Credit to 2006 Estimated Tax

(line 74, Form 1040)

This amount was the part of the overpayment of 2005 tax which taxpayers specifically requested to be credited to their estimated tax for 2006. (See also "Overpayment" and "Estimated Tax Payments.")

Deduction of Self-Employment Tax

(line 27, Form 1040)

If a taxpayer had income from self-employment and owed self-employment tax, one-half of that tax was deductible for income tax purposes. The amount was subtracted as an adjustment to total income in the calculation of AGI. (See also "Self-Employment Tax.")

Dividends

(lines 9a and 9b, Form 1040)

Ordinary dividend income consisted of distributions of money, stock, or other property received by taxpayers from domestic and foreign corporations, either directly or passed through estates, trusts, partnerships, or regulated investment companies. Ordinary dividends also included distributions from money market mutual funds.

Ordinary dividends did not include nontaxable distributions of stock or stock rights, returns of capital, capital gains, or liquidation distributions. Taxpayers were also instructed to exclude amounts paid on deposits or withdrawable accounts in banks, mutual savings banks, cooperative banks,

savings and loan associations, and credit unions, which were treated as interest income.

Qualified dividends are the ordinary dividends received in tax years beginning after 2002 that met certain conditions. These included: the dividend must have been paid by a U.S. corporation or a "qualified" foreign corporation; the stock ownership must have met certain holding period requirements; the dividends were not from certain institutions, such as mutual savings banks, cooperative banks, credit unions, tax-exempt organizations, or farmer cooperatives; and the dividends were not for any share of stock which was part of an employee stock ownership plan (ESOP). The maximum tax rate for qualified dividends was 15 percent (generally 5 percent for taxpayers whose other income was taxed at the 10 percent or 15 percent rate).

Domestic Production Activities Credit Δ

(line 35, Form 1040)

A taxpayer could have deducted up to 3 percent of qualified production activities with some limitations. Activities included construction performed in the United States; engineering or architectural services performed in the United States; and any lease, rental license, sale, exchange. Other dispositions were also deductible, such as tangible personal property, qualified films and electricity, natural gas, or potable water that the taxpayer produced in the United States.

Earned Income Credit Δ

(line 66a, Form 1040)

The earned income credit (EIC) for 2005 was a maximum of \$2,662 for one qualifying child, \$4,400 for two or more qualifying children, and \$399 for taxpayers with no qualifying children. To be eligible for the credit with children, the taxpayers, other than married taxpayers filing jointly, must have had a qualifying child living with them for more than half the year and have had earned income and adjusted gross income each less than \$31,030 (\$35,263 if more than one qualifying child). For married filing jointly, earned income and adjusted gross income had to

be less than \$33,030 for one child and \$37,263 for two or more children. To be eligible for the credit without children, the taxpayer must have had earned income and adjusted gross income less than \$11,750 (\$13,750 for married filing jointly) and the taxpayer (or their spouse) must have been at least 25 years of age and less than 65 years old. The credit was generally based on earned income, consisting of wages, salaries, and other employee compensation, plus net earnings from self-employment. A taxpayer, who was a member of the US Armed Forces and served in a combat zone, had certain pay excluded from their income. The taxpayer could have elected to include this pay in earned income when figuring the EIC. Taxpayers with investment income totaling more than \$2,700 were not eligible to receive the EIC. Investment income included interest income (taxable and tax-exempt), dividend income, plus interest and dividend income from Form 8814, and capital gain net income. As in previous years, taxpayers could not take the credit if their filing status was married filing separately, or if they claimed the foreign-earned income exclusion. For 2005, taxpayers could have elected to use 2004 earned income to figure the EIC if their income was greater in 2004 than 2005 and if their main home was in the Hurricane Katrina, Rita, or Wilma disaster area.

For this report, the earned income credit is divided into three parts: the amount used to offset income tax before credits (limited to the amount needed to reduce income tax after credits to zero); the amount used to offset all other taxes (limited to the amount needed to reduce total tax liability to zero); and the refundable portion. (See also "Advance Earned Income Credit Payments.")

Earned Income Credit, Refundable Portion

See "Earned Income Credit."

Earned Income Credit Used to Offset Income Tax Before Credits

See "Earned Income Credit."

Earned Income Credit Used to Offset Other Taxes

See "Earned Income Credit."

Education Credits Δ

(line 50, Form 1040)

There were two credits available, the Hope credit and the Lifetime Learning credit. A taxpayer was only able to claim one of the credits per student, not both. The credits were phased out for AGI between \$43,000 and \$53,000 (\$87,000 and \$107,000 for married filing jointly). A taxpayer could not take either credit if they were claimed as a dependent on another return, married filing separately, or took a deduction for tuition and fees for the same student.

The Hope credit allowed a maximum credit per student of 100 percent of the first \$1,000 of qualified tuition and related expenses and 50 percent credit of the next \$1,000 of eligible expenses for enrollment in undergraduate programs. Also, the credit only applied to the first two years of post-secondary education.

The Lifetime Learning credit could have been used for tuition and expenses for undergraduate, graduate, and professional degree courses. The credit could have been used for an unlimited amount of time, as long as the taxpayer or dependents were enrolled in post-secondary education. The Lifetime Learning credit was a maximum of 20 percent of the first \$10,000 of eligible expenses, or \$2,000 per return. In tax year 2005, education credits were expanded for students attending an eligible education institution in the Gulf Opportunity Zone (GOZ). The Hope credit was increased to 100 percent of the first \$2,000 and 50 percent of the next \$2,000 for GOZ students. The Lifetime Learning credit was also increased for GOZ students from 20 percent to 40 percent.

Education IRA (Coverdell Education Savings Accounts)

Taxpayers could have made nondeductible contributions up to \$2,000 annually to an educational IRA for a child under age 18. The

earnings and withdrawals were tax-free to the extent that withdrawals did not exceed the beneficiary's qualified higher education expenses for the year. The educational IRA contribution was phased out for modified AGI between \$95,000 and \$110,000 (between \$190,000 and \$220,000 for taxpayers married filing jointly) (See also "Individual Retirement Arrangement Deductible Payments.")

Educator Expenses

(line 23, Form 1040)

If a taxpayer was an eligible educator in kindergarten through grade 12 in 2005, a deduction of \$250 (\$500 for two educators filing jointly) qualified expenses may have been taken. This deduction could have been taken even if the taxpayer did not itemize deductions.

Employee Business Expense

See "Unreimbursed Employee Business Expenses."

Empowerment Zone and Renewal Community Employment Credit

(included in line 55c, Form 1040)

Both the empowerment zone and renewal community credits were available to taxpayers for qualified wages paid or incurred during 2005. Parts of designated urban and rural areas in the United States qualified to receive the benefits of this credit.

Estate or Trust Net Income or Loss

(line 37, Schedule E, Part III)

This was the beneficiary's share of fiduciary income (with the exception of the items described below, which were reported separately) from any estate or trust. Income from estates or trusts included amounts required to be distributed, amounts credited to beneficiaries' accounts from current-year fiduciary income (whether or not actually distributed), and any other amounts which were properly paid, credited, or required to be distributed for that year.

Taxpayers excluded their share of dividends and gains or losses from sales of capital assets or other property, from estate or trust income. Such income (which made up the largest portion of income from estates or trusts) was included on the tax return on the separate lines provided for these income types and was not separately identified for the statistics. A loss from an estate or trust was allocated to the beneficiary only upon settlement or termination of an estate or trust and was limited by the "passive loss" rules.

The columns labeled "net income" and "net loss" represent the sum of all income and losses reported from all estates or trusts, i.e., the net amount computed on a return-by-return basis.

Estate or Trust Net Income Less Loss

See "Estate or Trust Net Income or Loss."

Estimated Tax Payments Δ

(line 65, Form 1040)

This figure represents the total of the tax payments made for 2005 using Form 1040-ES, and any overpayment from the taxpayer's 2004 return that was applied to the 2005 estimated tax. Generally, individuals were required to make estimated tax payments if they expected to owe, after subtracting withholding and credits, at least \$1,000 in tax for 2005, and they expected withholding and credits to be less than the smaller of: (a) 90 percent of the tax shown on Form 1040 for 2005, or (b) 100 percent of the tax shown on Form 1040 for 2004 (110 percent of the tax shown on Form 1040 for 2004 for taxpayers with adjusted gross income greater than \$150,000 (\$75,000 for married filing separately)).

Excess Social Security Taxes

Withheld Δ

(line 67, Form 1040)

If a taxpayer earned more than \$90,000 in total wages from two or more employers in 2005, too much social security (FICA) or Railroad Retirement Tax Act (RRTA) tax may have been withheld from his or her wages. (There was no wage base limitation for Medicare tax; therefore,

all covered wages were subject to Medicare tax.) Filers claimed credit for such overpayment on their income tax returns. The excess social security, or RRTA, taxes withheld could be taken as a credit toward payment of the taxpayer's income tax, or refunded. In the case of a joint return, the credit was computed separately for each taxpayer.

Exemptions Δ

(lines 6, 42, Form 1040)

In the computation of taxable income, a \$3,200 deduction was allowed for each exemption claimed if adjusted gross income was less than \$109,475. In general, an exemption was allowed for each taxpayer and dependent shown on a return. If an individual who could be claimed as a dependent by another taxpayer also filed his or her own return, that individual could not claim his or her own exemption or any exemptions for dependants.

With few exceptions, an individual had to meet several requirements to qualify as a dependent for 2005:

- 1) The individual was related to the taxpayer (such as a son, daughter, or parent);
- 2) The individual was under age 19 or a full-time student under age 24 or any age that was permanently and totally disabled;
- 3) The individual did not provide half of his or her support for 2005;
- 4) The individual lived with the taxpayer for more than half of 2005;
- 5) The individual met certain citizenship requirements;
- 6) The individual did not file a joint return with his or her spouse;

These statistics classify the exemptions as children at home, children away from home, parents, and other. For 2005, taxpayers, if they met certain criteria, could have claimed an additional \$500 exemption per person (up to \$2000) if they provided housing to a person displaced by Hurricane Katrina.

If a taxpayer had AGI above certain levels, his or her personal exemption deduction may have been reduced or eliminated. For single taxpayers,

the phaseout began at \$145,950 and was completed at \$268,450; for married persons filing jointly and surviving spouses, the phaseout began at \$218,950 and was completed at \$341,450; for heads of household, the phaseout began at \$182,450 and was completed at \$304,950; and for married persons filing separately, the phaseout began at \$109,475 and was completed at \$170,725.

Farm Net Income or Loss

(line 18, Form 1040)

This source of income or loss was reported by individuals who were sole proprietors of farms. When there were two or more farms operated by the same taxpayer, the single amount of profit or loss included in the adjusted gross income represented the combined profit and loss from all farming activities. Farm business total expenses (line 35, Schedule F) were deducted from farm gross income (line 11, Schedule F) to arrive at farm net profit or loss.

Gains from certain sales of livestock and crops that qualified for capital gains treatment were excluded from farm net profit or loss and were included in capital gains. Farm rental income was included in total rent net income or loss. (See also "Farm Rental Net Income or Loss.")

Farm Rental Net Income or Loss

(line 40, Schedule E)

Taxpayers were required to report farm rental income and expenses separately from other farm profit or loss if they: a) received income that was based on crops or livestock produced by the tenant, and b) did not manage or operate the farm to any great extent. This income and expenses were reported on Form 4835 with net income less loss then reported on Schedule E. (See also "Total Rent and Royalty Income or Loss.")

Farm Rental Net Income Less Loss

See "Farm Rental Net Income or Loss."

Filing Status

See "Marital Filing Status."

Foreign-Earned Income Exclusion

(included in line 21, Form 1040)

Qualified taxpayers could exclude from total income a certain amount of their foreign-earned income and employer-provided foreign housing expenses if their home, for tax purposes, was in a foreign country.

Qualifying individuals were limited to the lesser of a \$80,000 exclusion or their total foreign-earned income. Also, they could elect to exclude a portion of employer-provided foreign housing expenses. If the taxpayer elected to take both the foreign-earned income and foreign housing exclusions, the total amount of both exclusions was limited to the taxpayer's total foreign earned income. The foreign-earned income exclusion was entered as a negative amount on this line by the taxpayer but edited into a separate field during service center processing. The employer-provided foreign housing exclusion was left as part of other income. (See also "Other Income.")

Foreign Housing Deduction

(included in the total on line 36, Form 1040)

Qualified taxpayers who had foreign housing expenses that were not provided by their employer were eligible to deduct these expenses from total income. This deduction together with the foreign-earned income exclusion was limited to the total amount of foreign-earned income for 2005.

Foreign Tax Credit

(line 47, Form 1040)

Individuals who paid income or excess profit taxes to a foreign country or U.S. possession could claim either this credit against Federal income tax liability, or take an itemized deduction for the amount of the foreign tax payment. Depending on the taxpayer's income and taxes, the foreign tax credit could be less than the amount of foreign tax paid. Qualifying foreign taxes paid in excess of the allowable amount for Tax Year 2005 could be carried back 1 year and then forward 10 years.

Forms 1040, 1040A, and 1040EZ

The individual income tax system utilizes three major forms to collect income and tax information: the 1040, 1040A, and 1040EZ. A variation of the basic forms is an electronically filed form. Returns of all types were included in the population of returns subjected to sampling, and were classified by the guidelines for filing a standard form (i.e., Forms 1040, 1040A and 1040EZ), discussed below. For example, if a return was filed electronically that could have been a Form 1040EZ had it been filed on paper, it would have been considered a Form 1040EZ in the statistics. However, a paper return that could have been filed on a simpler form is classified by the form on which it was actually filed.

The forms represented different levels of complexity in regard to the information reported. The Form 1040EZ for instance, could only be used if taxable income was less than \$100,000, non-wage income came from only a limited number of sources, and the taxpayer did not itemize deductions. The Form 1040A could only be used if taxable income was less than \$100,000, non-wage income came from only a limited number of sources, and the taxpayer did not itemize deductions. The Form 1040 had to be used if taxable income was greater than \$100,000. In addition, the taxpayer had to file Form 1040 if he or she itemized deductions or had income (or losses) from a source not provided for on Form 1040A or 1040EZ, used certain tax provisions, or had certain tax credits not on Form 1040A or 1040EZ. (These forms can be found in Section 5, 2005 Forms.)

Gambling Earnings

(included in line 21, Form 1040)

Gambling earnings include proceeds from lotteries, raffles, etc, and are included in line 21, Form 1040. These gambling earnings were edited into a separate field during service center processing. Gambling losses were not allowed to offset winnings on line 21. Instead, gambling losses were an itemized deduction reported on Schedule A. (See also "Gambling Loss Deduction" and "Other Income.")

Gambling Loss Deduction

(included in line 27, Schedule A)

Gambling losses (to the extent of gambling winnings) were fully deductible for taxpayers who itemize deductions. (See also "Gambling Earnings", "Total Itemized Deductions", and "Miscellaneous Itemized Deductions.")

General Business Credit Δ

(line 55a, Form 1040)

The general business credit consisted of the:

- investment credit,
- the work opportunity credit,
- the welfare-to-work credit,
- the research credit,
- the low-income housing credit,
- the enhanced oil recovery credit,
- the disabled access credit,
- the renewable electricity production credit,
- the Indian employment credit,
- the credit for employer social security and Medicare taxes paid on employee tips,
- the orphan drug credit,
- the new markets credit,
- small employer pension plan startup credit
- employer-provided child care facilities and services credit
- qualified railroad track maintenance credit,
- biodiesel fuels credit,
- low sulfur diesel fuel production credit,
- distilled spirits credit,
- nonconventional source fuel credit,
- energy efficient home credit,
- alternative motor vehicle credit,
- alternative fuel vehicle refueling property credit,
- the community development corporation credit,
- the Alaska pipeline liability fund credit,
- the credit from electing large partnerships,
- and credit for employers affected by Hurricane Katrina, Rita, or Wilma

Taxpayers claiming more than one of the credits were required to summarize them on Form 3800, *General Business Credit*. The general business credit was limited to 100 percent of the first \$25,000 (\$12,500 for a married couple filing separately) of tax liability and 25 percent of the excess over \$25,000. If the current year general business credit exceeded the tax liability limitation, the excess amount could be carried back to the preceding tax year, then forward 20 years.

General Sales Tax Deduction

See "Sales Tax Deduction."

Health Coverage Credit (formerly Health Insurance Credit)

(line 70c, Form 1040)

A taxpayer who was an eligible trade adjustment assistance (TAA), alternate TAA, or Pension Benefit Guaranty Corporation pension recipient was able to take the credit. A taxpayer could not take the credit if they were covered under any employer-sponsored health plan. The credit was equal to 65 percent of the amount the taxpayer paid for qualified health insurance for 2005 minus any Archer medical savings account and health savings account (HSA) distributions used to pay the amount.

Health Savings Account Deduction Δ

(line 25, Form 1040)

A taxpayer could have taken a deduction for contributions to a Health Savings Account. The deduction was limited to the annual deductible on the qualifying high deductible health plan, but not more than \$2,650 (\$5,250, if family coverage). These limits were \$600 higher if the taxpayer was age 55 or older (\$1,200 if both spouses were 55 or older). A taxpayer could not contribute to an HSA starting the first month he or she was enrolled in Medicare.

Home Mortgage Interest Deduction

(lines 10+11, Schedule A)

See "Interest Paid Deduction."

Household Employment Taxes Δ

(line 62, Form 1040)

Taxpayers paying domestic employees more than \$1,400 generally had to pay social security and Medicare taxes for these employees with their income tax return by filing Schedule H, *Household Employment Taxes*.

Income Subject to Tax

See "Modified Taxable Income."

Income Tax After Credits

(line 57 minus part or all of line 66a, Form 1040)

To arrive at income tax after credits, taxpayers deducted total credits (line 56, Form 1040) from income tax before credits (line 46, Form 1040). For the statistics, tax was further reduced by the portion of the earned income credit which did not result in a negative tax. This portion of the earned income credit was included in the total credits as "earned income credit used to offset income tax before credits." Any tax remaining after subtraction of all credits and the earned income credit was tabulated as "income tax after credits."

Income Tax Before Credits

(line 46, Form 1040)

This amount consisted of the tax liability on taxable income, computed by using the tax tables, tax rate schedules, Schedule D Tax worksheet, Schedule J (Income averaging for farmers and fishermen), or Form 8615, plus Form(s) 8814 (line 44a), any additional taxes from Form 4972 (line 44b), and the alternative minimum tax (line 45). (See also "Tax Generated.")

Income Tax Withheld

(line 64, Form 1040)

Income tax withheld included amounts deducted from salaries, wages, and tips, as reported on Form W-2; deducted from pensions, annuities, and certain gambling winnings as reported on Forms 1099-R and W-2G; and withheld from total distributions of profit-sharing, retirement plans, and individual retirement accounts, as reported on Form 1099-R.

In some cases, a backup withholding rate of 31 percent was required for interest, dividend, and royalty payments which, generally, were not subject to withholding.

Individual Retirement Arrangement (Deductible) Payments Δ

(lines 32, Form 1040)

An individual retirement arrangement (IRA) is a savings program that allows a taxpayer to set aside money for retirement. In addition to the traditional IRA, there were two other plans for the taxpayer: the education IRA and the Roth IRA, information on these two IRA's can be found under their separate headings.

Taxpayers not covered by an employment retirement plan may have been able to deduct all contributions to a traditional IRA. The deduction for taxpayers not covered by a retirement plan at work, the deduction was phased out for modified AGI (on a joint return) between \$150,000 and \$160,000. For taxpayers covered by a retirement plan at work, the traditional IRA deduction phased out between \$70,000 and \$80,000 of modified AGI for married persons filing jointly and surviving spouses; between \$50,000 and \$60,000 for single filers, heads of households, or married filing separately taxpayers living apart; and between \$0 and \$10,000 for married filing separately taxpayers living together. If one spouse was an active participant in an employer plan but the other was not, the deduction for the IRA contribution of the spouse not covered by an employer plan phased out between modified AGI of \$150,000 and \$160,000. Deductible contributions could be subtracted from the employee's total income in arriving at adjusted gross income.

Contributions to an IRA (whether or not they were deductible) were limited to the lesser of: (a) the individual's taxable compensation for the year, or (b) \$4,000 (\$4,500 if age 50 or older). Married couples filing a joint return could contribute up to \$4,000 (\$4,500 if age 50 or older) to each spouse's IRA, even if one spouse had minimal or no compensation. Therefore, the total combined IRA contributions could be up to \$8,000 (\$9,000

if age 50 or older) for a year.

Unless they were disabled, taxpayers could not start withdrawing funds from the traditional account until they reached age 59-1/2. After age 70-1/2 taxpayers were required to begin withdrawals. Penalty taxes were assessed if the taxpayer failed to comply with these limitations. The additional tax on early withdrawals from a traditional IRA was eliminated if the distributions were used for qualified higher education expenses. This additional tax was also eliminated on distributions up to \$10,000 from traditional or Roth IRA's if the distributions were used to buy, build, or rebuild a qualified first home.

Payments to an IRA for a particular taxable year had to be made no later than the due date of the individual's return for that year. (See also "Roth IRA" and "Education IRA.")

Individual Retirement Arrangement Taxable Distributions Δ

(line 15b, Form 1040)

Any money or property received from a taxpayer's IRA account was considered a distribution and, generally, had to be included in the taxpayer's total income in the year received. Exempted from this rule were tax-free roll-over distributions from one retirement account to another, distributions where the payout represented previously taxed non-deductible IRA contributions, and distributions from a Roth IRA. If a taxpayer converted from a traditional IRA to a Roth IRA, they were required to include in gross income the amount that they would have reported in income if they had made a withdrawal from this IRA. The taxpayer did not include in gross income any part of the conversion that was a nondeductible contribution in a traditional IRA. For 2005, qualified hurricane distributions were not subject to the additional 10 percent tax on early distributions by taxpayers affected by Hurricane Katrina, Rita, and Wilma

Interest Paid Deduction

(line 14, Schedule A, includes all lines 10-13)

The rules for deducting home mortgage

interest for 2005 were: (1) if a taxpayer took out a mortgage before October 13, 1987, secured by the taxpayer's main or second home, all the interest was deductible, (2) if the taxpayer's mortgage was after October 13, 1987, and the funds were used to buy, build, or improve that home, all interest could be deducted if the total of all mortgages on the property was \$1 million or less (\$500,000 if married filing separately), and (3) taxpayers could deduct all of the interest on an additional \$100,000 (\$50,000 if married filing separately) of mortgages on their main or second home other than to buy, build, or improve that home.

Generally, investment interest (interest paid on money borrowed that is allocable to property held for investment) was fully deductible up to the amount of net investment income. Beginning in 1993, the net investment income that was to be compared to investment interest could not include any net capital gains taxed on the capital gain tax rates or qualified dividends. Interest relating to business, royalty, and rental income was deducted directly from these items and was not reflected in the interest paid statistics.

Interest Received

See "Taxable Interest Received."

Interest, Tax-Exempt

See "Tax-Exempt Interest."

Investment Interest Expense Deduction

(line 13, Schedule A)

See "Interest Paid Deduction." and "Total Itemized Deductions."

Itemized Deductions

See "Total Itemized Deductions" and specific itemized deductions.

Itemized Deduction Limitation

See "Total Itemized Deductions."

Limited Miscellaneous Deductions

(lines 20-26, Schedule A)

Certain taxpayer expenses could be deducted on Schedule A, but were limited to the amount that exceeded 2 percent of adjusted gross income. These included: unreimbursed employee business expenses (including qualifying educational expenses), tax preparation fees, expenses paid to produce or collect taxable income, and expenses paid to manage or protect property held for earning income (including safe deposit boxes).

Long-Term Capital Gain or Loss

(line 15, Schedule D)

These include gains or losses from sales of capital assets held more than one year. (See also "Sales of Capital Assets, Net Gain or Loss.")

Long-Term Gain or Loss from Other Forms

(line 11, Schedule D)

The other forms include:

- Long-term gains from Forms 4797, 2439, and 6252;
- Long-term gain or loss from Forms 4684, 6781, and 8824

See "Sales of Capital Assets, Net Gain or Loss."

Long-Term Loss Carryover

(line 14, Schedule D)

Long-term capital losses from the prior year Schedule D that are carried over to the current year. (See "Sales of Capital Assets, Net Gain or Loss.")

Marginal Tax Rates

Different portions of taxable income are taxed at different rates. The tax rate applied to the last dollar of income is called the "marginal tax rate" for that return. (See also "Tax Generated.")

Marital Filing Status

(lines 1-5, Form 1040)

The five marital filing status classifications were:

- (1) returns of single persons (not heads of household or surviving spouses);
- (2) joint returns of married persons;
- (3) separate returns of married persons;
- (4) returns of heads of household; and
- (5) returns of surviving spouses.

Marital filing status was usually determined as of the last day of the tax year. The exception was that if one's spouse died during the tax year, the survivor was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, the taxpayer was considered to be unmarried for the entire year. Surviving spouse status could only be used by those taxpayers whose spouse died in 2003 or 2004, and had a qualifying dependent.

Medical and Dental Expenses Deduction

(lines 1-4, Schedule A)

Qualified medical expenses included nonreimbursed payments made for the diagnosis, treatment, or prevention of disease or for medical or dental insurance. However, taxpayers who took the self-employed health insurance adjustment had to reduce their total premium deduction by the amount of the adjustment (see "Self-Employed Health Insurance"). In general, medical and dental expenses could be claimed as an itemized deduction to the extent that they exceeded 7.5 percent of adjusted gross income. Amounts paid for medicine and drugs were deductible only if they were not available except by prescription or were for insulin. Taxpayers could deduct costs for transportation to obtain medical care and also a maximum of \$50 per day for certain lodging expenses incurred while traveling to obtain medical care. (See also "Total Itemized Deductions.")

Medical and Dental Expenses Limitation

(line 3, Schedule A)

See "Medical and Dental Expenses Deduction" and "Total Itemized Deductions."

Medical Savings Account Deduction

See "Archer Medical Savings Account Deduction."

Minimum Tax Credit

(line 55b, Form 1040)

A minimum tax credit could be taken for 2005 by certain taxpayers who paid alternative minimum tax for 2004 or prior years. If all of the minimum tax credit (claimed on Form 8801) could not be used for 2005, the excess could be carried forward to later years.

Miscellaneous Deductions Other Than Gambling

(included in line 27, Schedule A)

Other fully deductible expenses included such items as impairment-related work expenses for disabled persons, and amortizable bonds. (See also "Miscellaneous Itemized Deductions" and "Total Itemized Deductions.")

Miscellaneous Deductions Subject to 2% AGI Limitation

(lines 20-26, Schedule A)

See "Limited Miscellaneous Deductions" and "Miscellaneous Itemized Deductions."

Miscellaneous Itemized Deductions

(lines 20-27, Schedule A)

Miscellaneous itemized deductions were divided into two types. The first, such as employee business expenses, included those items that were limited to the amount that exceeded 2 percent of adjusted gross income, while the expenses of the other types, such as gambling losses not in excess of gambling winnings, and casualty and theft losses of income producing property were fully deductible.

(See also "Gambling Loss Deduction," "Limited Miscellaneous Deductions," and "Miscellaneous Deductions Other Than Gambling.")

Modified Taxable Income

"Modified taxable income" is the term used to describe "income subject to tax," the actual base on which tax is computed for the statistics in Tables 3.4, 3.5, and 3.6. For most taxpayers filing current year returns, modified taxable income is identical to "taxable income." For those returns with a Form 8814, *Parents' Election To Report Child's Interest and Dividends* attached, modified taxable income includes the sum of all children's interest and dividend income taxed at a 10 percent rate, as well as the parent's taxable income.

For prior year returns included in the 2005 statistics, a modified taxable income was calculated by using the tax rate schedule for 2005 to impute a hypothetical taxable income amount necessary to yield the given amount of tax reported.

A person who has no tax will have no modified taxable income. Since the tax rate schedule is used to generate the modified taxable income, it is possible for a person to have up to four dollars of taxable income but have no modified taxable income because their tax reported would be zero.

Moving Expenses Adjustment

(line 26, Form 1040)

Taxpayers deducted current-year qualified moving expenses in the calculation of adjusted gross income as a statutory adjustment. In order to qualify for this deduction, the new work place had to be at least 50 miles farther from the former residence than the former work place. Deductible expenses included those incurred to move household and personal goods, and travel including lodging en route to the new residence. Expenses no longer deductible included: meals while moving from the old residence to the new residence; travel expenses for pre-move house hunting trips; expenses while occupying temporary quarters in the area of the new job; and qualified residence sale, purchase, and lease expenses.

Net Capital Gain in AGI less Loss

See "Sales of Capital Assets, Net Gain or Loss."

Net Long-Term Gain or Loss from Sales of Capital Assets

See "Sales of Capital Assets, Net Gain or Loss," also "Long-Term Capital Gain or Loss."

Net Operating Loss

(included in line 21, Form 1040)

The excess loss of a business when taxable income for a prior year was less than zero. The loss could be applied to the AGI for the current year and carried forward up to 20 years. (See also "Other Income.")

Net Short-Term Gain or Loss from Sales of Capital Assets

See "Sales of Capital Assets, Net Gain or Loss," also "Short-Term Capital Gain or Loss."

Nonconventional Source Fuel Credit Δ

(included in line 55c, Form 1040)

This nonrefundable credit was available to taxpayers who sold fuel produced from a nonconventional source. Examples would be coke and coke gas, gas produced from geopressured brine or biomass, and liquid, gaseous, or solid synthetic fuels produced from coal.

Nondeductible Passive Losses

(calculated on Form 8582)

Nondeductible passive losses were calculated by subtracting deductible passive losses reported on Form 8582 (line 16) from total current year passive losses (lines 1b+2a+3b) and were limited to zero.

Nontaxable Returns

See "Taxable and Nontaxable Returns."

Nontaxable Combat Pay Election

(line 66b, Form 1040)

For Tax Year 2005, members of the U.S. Armed Forces who served in a combat zone could have excluded certain pay from their income. The qualified taxpayer's entitlement to the pay must have been fully accrued in a month during which they served in a combat zone or were hospitalized as a result of wounds, disease, or injury incurred while serving in the combat zone. However, this nontaxable pay was used to gain benefits for both the EIC and additional child tax credit purposes.

One-Half of Self-Employment Tax

See "Deduction for Self-Employment Tax."

Ordinary Dividends

(line 9a, Form 1040)

See "Dividends."

Other Adjustments

(included in line 36, Form 1040)

See "Statutory Adjustments."

Other Income

(line 21, Form 1040)

Included in other income were items such as taxable distributions from a Coverdell education savings account, distributions from qualified tuition programs (though some may be excluded if not more than the taxpayers qualified higher education expenses), taxable distributions from health savings accounts or Archer MSA's, prizes, awards, jury duty fees, Alaska permanent fund dividends, alternative trade adjustment assistance payments, reimbursements for medical expenses, real estate taxes, or home mortgage interest taken as a deduction in a previous year, children's interest and non-qualified dividends (non-qualified) from Form 8814, and any other income subject to tax for which no specific line was provided on the return form. Any foreign-earned income exclusions or "net operating loss" in an earlier year (that was carried forward and deducted for 2005) were entered as a negative amount on this

line by the taxpayer but edited into separate fields during service center processing. However, any employer-provided foreign housing exclusions were included in other income (as a negative amount). Gambling earnings, which were entered on this line by the taxpayer, were edited into a separate field during service center processing.

Other Income Less Loss

See "Other Income."

Other Payments

(line 70, Form 1040)

See "Credit for Federal Tax on Gasoline and Special Fuels", "Credit from Regulated Investment Companies", and "Health Coverage Credit" (Formally known as Health Insurance Credit).

Other Tax Credits

(included in lines 54b, 55c, 56, Form 1040)

"Other tax credits" is a residual category in the statistics. It includes other miscellaneous credits that did not belong in any other category and were used to offset income tax before credits.

Other Taxes Deduction

(line 8, Schedule A)

Other taxes consisted of any deductible tax other than state and local income taxes, real estate taxes, and personal property taxes. Examples of other taxes are taxes paid to a foreign country or US possession. (See also "Personal Property Tax" and "Taxes Paid Deduction.")

Overpayment

(line 72, Form 1040)

An overpayment of tax occurred when "total tax payments" exceeded "total tax." Overpayments included the amount of any "refundable portion of the earned income tax credit." An overpayment could be refunded or credited toward the estimated tax for the following year. (See also "Credit to 2006 Estimated Tax" and "Refund.")

Overpayment Refunded

(line 73a, Form 1040)

See "Overpayment" and "Refund."

Parents' Election to Report Child's Interest and Dividends

(calculated on Form 8814)

A parent could elect to report on his or her return income received by his or her child. If the election were made, the child was not required to file a return. A parent could make this election if the child:

- was under age 14 on January 1, 2006;
- had income only from interest and dividends including Alaska permanent fund dividends, and capital gain distributions;
- had gross income for 2005 that was more than \$800 but less than \$8,000;
- had no estimated tax payments for 2005;
- did not have any overpayment of tax shown on his or her 2004 return applied to the 2005 return; and
- had no Federal income tax withheld from his or her income (backup withholding).

If the parents were not filing a joint return, special rules applied to determine which parent could make the election. (See also "Modified Taxable Income" and "other income.")

Partnership and S Corporation Net Income or Loss

(line 32, Schedule E)

Partnerships and S Corporations (formerly Subchapter S Corporations) are not taxable entities; therefore, tax on their net profit or loss was levied, in general, directly on the members of the partnership or shareholders of the S Corporation. The profit or loss shown in the statistics was the taxpayer's share of the ordinary gain or loss of the enterprise, and certain payments made to the taxpayer for the use of capital or, for partnership, as salary. Net long-term capital gains received from partnerships and S Corporations were reported on Schedule D.

If a return showed net income from one

partnership or S Corporation and a net loss from another, the two were added together, and the return was tabulated by the net amount of income or loss in the appropriate column. Beginning in 1987, net income and net loss were reported separately for passive and non-passive partnership and S Corporation activities. Passive losses were limited under new rules to the amount that could offset passive income.

Partnership and S Corporation Net Income Less Loss

See "Partnership and S Corporation Net Income or Loss."

Passive Activity Losses

Losses generated by any "flow-through" business activity (such as partnerships or S Corporations for which profits and certain other amounts were passed directly through to the owners), in which the taxpayer did not "materially participate" (i.e., was not involved regularly and substantially in the operations of the activity) qualified as passive activity losses. (See also "Nondeductible Passive Losses.")

Payment with Request for Extension of Filing Time Δ

(line 69, Form 1040)

This payment was made when the taxpayer filed Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*. The extension granted the taxpayer an additional period of time to file a tax return, but did not extend the time for the payment of the expected tax. Full payment of any tax due had to be made with the application for extension.

Payments to a Keogh Plan

(line 28, Form 1040)

Self-employed individuals were allowed to contribute to a Keogh retirement plan or a simplified employment pension plan for themselves and to deduct all or part of such contributions in computing adjusted gross income.

The amount which could be deducted was based on net earnings from self-employment.

Penalty on Early Withdrawal of Savings

(line 30, Form 1040)

Taxpayers who paid penalties for the premature withdrawal of funds from time savings accounts or deposits could deduct those penalties as an adjustment to total income.

Penalty Tax on Qualified Retirement Plans Δ

(line 60, Form 1040)

If taxpayers withdrew any funds from an Individual Retirement Arrangement or qualified retirement plan before they were either age 59-1/2 or disabled, they were subject to a penalty tax equal to 10 percent of the premature distribution. Any taxpayer who failed to withdraw the minimum required distribution after reaching age 70-1/2 had to pay a 50 percent excise tax on the excess accumulation. Contributions to the IRA in excess of the legal limitation for the year (the lesser of \$4,000, \$8,000 if married filing jointly, or the taxpayer's compensation for the year) were subject to an excise tax equal to 6 percent of the excess contribution.

Pensions and Annuities

(lines 16a, 16b, Form 1040)

Generally, pensions are periodic income received after retirement for past services with an employer, while annuities are income payable at stated intervals after payment of a specific premium. A taxpayer could acquire a pension or annuity either by purchase from a commercial organization (usually life insurance, endowment, or annuity contracts) or under a plan or contract connected with the taxpayer's employment. Those pensions or annuities obtained in connection with employment could be purchased entirely by the taxpayer or could be financed in part (a contributory plan) or in whole (a non-contributory plan) by contributions of the employer.

Since a non-contributory plan was paid for entirely by an employer, the amount received by the employee was fully taxable. This fully taxable pension was reported on lines 16a and 16b. For the taxpayer who participated in a contributory retirement plan while employed, the amount received was only partially taxable. In general, the amount excludable from gross income, the nontaxable portion, represented the taxpayer's contributions under the plan, while the taxable portion represented the employer's contribution and earnings on the entire investment. The nontaxable contribution had to be amortized over the expected lifetime of the taxpayer.

The entire amount of pensions and annuities received for the year was reported on line 16a of the Form 1040. The taxable portion was computed on a separate worksheet and entered on line 16b.

Personal Property Taxes Deduction

(line 7, Schedule A)

Personal property tax could be included as a deduction if the tax was an annual tax based on value alone. (See also "Taxes Paid Deduction.")

Predetermined Estimated Tax Penalty

(line 76, Form 1040)

If a return showed taxes of \$1,000 or more owed on line 75 (tax due at time of filing) and this amount was more than 10 percent of the total tax, the taxpayer could owe a penalty, unless tax payments in the current year equaled or exceeded prior-year tax liability (provided prior-year liability was greater than zero). Also, taxpayers could owe a penalty if they underpaid their 2005 estimated tax liability for any payment period. Form 2210 was used to determine the amount of a penalty, if any.

For this report, the predetermined estimated tax penalty includes only the amount calculated by the taxpayer when the return was initially filed.

Qualified Dividends

(line 9b, Form 1040)

See "Dividends."

Real Estate Taxes

(line 6, Schedule A)

This amount included taxes paid on real estate that was owned and not used for business by the taxpayer. The real estate taxes could only be used as a deduction if the taxes were based on the assessed value of the property. Also, the assessment had to be made uniformly on property throughout the community, and the proceeds had to be used for general community or governmental purposes. (See also "Taxes Paid Deductions").

Recapture Taxes

(included in line 63, Form 1040)

See "Tax from Recomputing Prior Year Investment Credit."

Refund

(line 73a, Form 1040)

A refund of tax included all overpayment of income taxes not applied by the taxpayer as a credit to the next year's estimated tax. (See also "Overpayment.")

Refund Credited to Next Year

(line 74, Form 1040)

See "Credit to 2006 Estimated Tax."

Regular Tax Computation

Typically, the taxpayer, in determining the amount of "tax generated," first computed taxable income. Depending on marital status and size of taxable income, the taxpayer then used the tax table or applied the rates from one of four tax rate schedules to determine tax. Also, returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method. If a taxpayer filed a Form 8615 or had any long-term capital gains, or

qualified dividends taxed at a rate less than the tax tables, then they were not considered as regular tax computations.

Rent and Royalty Net Income

(lines 24, Schedule E)

This amount was the combination of rent income and royalty income. It is possible for a taxpayer to have both rent and royalty income and losses.

Rent and Royalty Net Loss

(lines 25, Schedule E)

This amount was the combination of rent losses and royalty losses. This amount did not include passive losses that were not deductible, but included carryovers of previous years' passive losses. It is possible for a taxpayer to have both rent and royalty income and losses. (See also "Passive Activity Losses.")

Rent Net Income or Loss

(line 22, columns A,B,C, Schedule E)

Rent net income or loss was determined by deducting from gross rent, the amounts for depreciation, repairs, improvements, interest, taxes, commissions, advertising, utilities, insurance, janitorial services, and any other allowable expenses related to the rented property. In the statistics, total rental net loss includes passive losses that were not deductible in figuring AGI. (See also "Passive Activity Losses." and "Total Rent and Royalty Income or Loss in AGI.")

Rent Net Income Less Loss

See "Rent Net Income or Loss."

Retirement Savings Contribution Credit

(line 51, Form 1040)

A taxpayer could take a credit of up to \$1,000 (\$2,000 if married filing jointly) for qualified retirement savings contributions, if their adjusted

gross income was less than or equal to \$25,000 (\$37,500 if head of household, \$50,000 if married filing jointly).

Roth IRA Δ

(lines 16-25c, Form 8606)

Unlike traditional IRAs, contributions to a Roth IRA were not deductible. However, qualified distributions from the earnings of a Roth IRA were tax-exempt. The contribution limit for Roth IRAs was the lesser of \$4,000 (\$4,500 if age 50 or older), \$8,000, (\$8,500, or \$9,000 depending on if none, one, or two of the taxpayers were age 50 or older and married filing jointly) or the individual's taxable compensation unless the taxpayer contributed to both Roth IRAs and traditional IRAs. In that case, the contribution limit for Roth IRAs was reduced by all contributions (other than employer contributions) to traditional IRAs for the taxable year. The eligibility for Roth IRAs was phased out for joint filers with modified AGI between \$150,000 and \$160,000, married taxpayers filing separately and living with their spouses with modified AGI between \$0 and \$10,000, and all other filers (single, head of household, and married filing separately and not living with their spouse at any time during the year) with modified AGI between \$95,000 and \$110,000. Contributions to Roth IRAs could be made after the taxpayer reached the age of 70½. Also, the minimum distribution rules did not apply to living taxpayers as they did for traditional IRAs.

Some taxpayers were also eligible to make taxable rollovers of traditional IRAs to Roth IRAs without paying the 10 percent tax on early withdrawals. Taxpayers had to have a modified AGI of \$100,000 or less to be able to roll over a traditional IRA to a Roth IRA. When a taxpayer converted an amount from the traditional IRA to a Roth IRA, they were required to include in gross income the amount that they would have reported in income if they had made a withdrawal from this IRA. The taxpayer did not include in gross income any part of the conversion that was a nondeductible contribution in a traditional IRA.

Married taxpayers filing separately could not take advantage of this rollover provision. (See also "Individual Retirement Arrangement Taxable Distributions.")

Royalty Net Income or Loss

(line 22, columns A, B, C, Schedule E)

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil, gas, and other mineral rights; revenue from patents; and revenue from literary, musical, or artistic works. Certain royalties received under a lease agreement on timber, coal, and domestic iron ore were eligible for capital gains or ordinary loss treatment under Code section 1231. As a result of the separate computation, those royalties are reflected in the statistics for "sales of capital assets" and "sales of property other than capital assets." (See also "Total Rent and Royalty Income or Loss in AGI.")

Royalty Net Income Less Loss

See "Royalty Net Income or Loss."

S Corporations

See "Partnership and S Corporation Net Income or Loss."

Salaries and Wages

(line 7, Form 1040)

Salaries and wages as reported on the tax return were amounts of compensation primarily for personal services. The following items are included:

- salaries;
- wages;
- commissions;
- bonuses;
- tips;
- fees;
- excess reimbursement of employee business expenses;
- moving expenses allowances;

- the difference between the fair market value of certain property and the discount price for which it was purchased by a taxpayer from his or her employer;
- severance pay;
- sick pay;
- the value of exercising a stock appreciation right;
- directors' fees;
- vacation allowances;
- most disability payments;
- strike and lockout benefits;
- the value of certain non-monetary payments for services (e.g., merchandise, accommodations, certain meals or lodging, certain stock purchase plans, or property);
- dependent care benefits;
- employer provided adoption benefits; and
- scholarship and fellowship grants.

Identifiable amounts for any of these categories, which may have been reported by taxpayers as "other income," are treated as salaries and wages for the statistics.

Sales of Capital Assets, Net Gain or Loss

(line 13, Form 1040)

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were furniture, automobiles, and stocks and bonds. Most assets used for business activities were specifically excluded from treatment as capital assets. (See also "Sales of Property Other Than Capital Assets, Net Gain or Loss.")

The following concepts are used in the computation of net capital gain or loss for this report:

Long-term or short-term: If the holding period was one year or less, the asset was considered short-term; otherwise, it was considered long-term. All capital gain distributions were considered long-term.

Net capital gain: If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer

had a net capital gain. The full amount of this gain, whether short-term or long-term was included in adjusted gross income.

Net capital loss: If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer showed a net capital loss. The amount of net capital loss to be included in adjusted gross income was limited to the smaller of the actual net capital loss or \$3,000 (\$1,500 for married persons filing separately). Any excess capital losses over the \$3,000 limit could be carried over to subsequent tax years ("long-term loss carryover" and "short-term loss carryover" in the statistics).

The maximum rate for most net capital gains was 15 percent (generally, 5 percent for taxpayers in the 10- or 15-percent tax bracket). Collectible gains and up to 50 percent of eligible gains on qualified small business stock were taxed at the 28-percent rate. Gains from the sale of certain depreciable real property were taxed at a 25-percent rate. Qualified 5-year gain (long term capital gain from sale or other disposition of property held more than five years) were taxed at 8 percent to the extent the gain would otherwise be taxed at 10 percent. Therefore, the long-term capital gain tax rate could be 5-percent, 8-percent, 10-percent, 15-percent, 25-percent, or 28-percent.

Taxpayers were generally able to exclude from income up to \$250,000 (\$500,000 for married couples filing a joint tax return) of the gain on the sale of their homes.

Sales of Capital Assets Reported on Schedule D

See "Sales of Capital Assets, Net Gain or Loss."

Sales of Property Other Than Capital Assets, Net Gain or Loss

(line 14, Form 1040)

Property other than capital assets generally included property of a business nature, in contrast to personal or investment property, which were capital assets. Some types of property specifically included in this group were:

- (1) certain depreciable, depletable, and real business property;
- (2) accounts and notes receivable in the ordinary course of business generated from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business;
- (3) certain copyrights, literary, musical, or artistic compositions, or similar properties; and
- (4) amounts resulting from certain "involuntary conversions," including net losses from casualty and theft.

Taxpayers reported all gains and losses not treated as capital gains on Form 4797, *Sales of Business Property*.

Sales Tax Deduction

(line 5b, Schedule A)

Taxpayers could have elected to deduct state and local general sales taxes instead of state and local income taxes as an itemized deduction on Schedule A. The taxpayer could have used either actual expenses or the optional state sales tax tables.

Schedule D Capital Gain Distributions

See "Sales of Capital Assets, Net Gain or Loss."

Self-Employed Health Insurance Deduction

(line 29, Form 1040)

Self-employed persons, or owners of more than 2 percent of outstanding stock of an S Corporation, if they were not eligible for health coverage under an employer-provided plan, were allowed to deduct, in the calculation of AGI, up to 100 percent of the amount paid for health insurance for themselves and their families.

Self-Employment Tax Δ

(line 58, Form 1040)

The ceiling for social security tax on taxable self-employment income for 2005 was \$90,000. The limit did not apply for purposes of the Medicare tax. All net earnings greater than \$400 (\$108.28 for church employees) were also subject to the Medicare tax portion. (See also "Total Tax Liability.")

Short-Term Capital Gain or Loss

(line 7, Schedule D)

These include gains and losses from sale of capital assets held one year or less. (See "Sales of Capital Assets, Net Gain or Loss.")

Short-Term Gain or Loss from Other Forms

(line 4, Schedule D)

The other forms include:

- Short-term gains from Form 6252
- Short-term gain or loss from Forms 4684, 6781, and 8824

See "Sales of Capital Assets, Net Gain or Loss."

Short-Term Loss Carryover

(line 6, Schedule D)

These are short-term capital losses from the prior year Schedule D that are carried over to the current year. (See "Sales of Capital Assets, Net Gain or Loss.")

Size of Adjusted Gross Income

(line 37, Form 1040)

The amount of adjusted gross income reported by the taxpayer on the return was the basis for classifying data by size of adjusted gross income. Returns without positive adjusted gross income, such as deficit returns or returns on which income and loss were equal, were classified as having "no adjusted gross income" and appear as a separate class in most basic tables. The absence of a class

labeled "no adjusted gross income" indicates that any deficit or break-even returns in a table were included in the lowest income size class. See "Adjusted Gross Income Less Deficit."

Social Security Benefits

(lines 20a, 20b, Form 1040)

Social security benefits included any monthly benefit under title II of the Social Security Act or the part of a "tier 1 railroad retirement benefit" that was equivalent to a social security benefit. Social security benefits were not taxable unless the taxpayer's total income (including tax-exempt interest) plus one-half of total social security benefits exceeded certain levels. The maximum taxable amount was up to 85 percent of the net social security benefits received. Social security benefits received were reported on Form 1040, line 20a and the taxable portion was reported on line 20b. Taxpayers who had no taxable benefits were not required to show the total benefits on their income tax returns.

Social Security and Medicare Taxes Δ

For 2005, the maximum wages subject to social security tax (6.2%) increased to \$90,000. All wages are subject to medicare tax (1.45%).

Social Security and Medicare Tax on Tip Income

(line 59, Form 1040)

Cash tips amounting to \$20 or more received by the taxpayer in a month while working for any one employer were subject to withholding of income tax, social security tax (or the equivalent railroad retirement tax), and Medicare tax. If the employer was unable to withhold the social security and Medicare tax, the amount of uncollected social security tax on tips was indicated on the employee's Form W-2, and the employee was required to report the uncollected tax and pay it with the Form 1040. If the employee did not report the tips to the employer, the employee was required to compute the social security and Medicare tax on unreported tips on Form 4137 and attach it to Form 1040.

Standard Deduction Δ

(included in line 40, Form 1040)

For 2005, the basic standard deduction was increased. Taxpayers who were age 65 or over or blind could claim an additional standard deduction amount of \$1,000 or \$1,250 based on filing status. Both the basic and additional standard deductions were determined by marital filing status, as shown below.

Single

Basic deduction of \$5,000;

Each taxpayer 65 or over or blind was allowed an additional \$1,250 deduction each for age and blindness.

Married filing jointly or surviving spouses

Basic deduction of \$10,000;

Each taxpayer 65 or over or blind was allowed an additional \$1,000 deduction each for age and blindness.

Married, filing separately

Basic deduction of \$5,000;

Each taxpayer 65 or over or blind was allowed an additional \$1,000 deduction each for age and blindness.

Head of Household

Basic deduction of \$7,300;

Each taxpayer 65 or over or blind was allowed an additional \$1,250 deduction each for age and blindness.

The basic standard deduction claimed by filers who were dependents of other taxpayers was the greater of \$800 or the dependent's earned income plus \$250 (but not more than the regular standard deduction amount).

In the statistics, the basic standard deduction is tabulated for all taxpayers who claimed it, including those who were 65 or over and/or blind. The "additional standard deduction" total includes only the additional amount that was taken by those taxpayers who were 65 or over and/or blind.

State Income Tax Refund

(line 10, Form 1040)

If a taxpayer received a refund, credit, or offset of state or local income taxes in 2005 that was paid or deducted before 2005, all or part of that amount

had to be reported as income to the extent that an itemized deduction for state and local taxes had previously resulted in a tax benefit.

State and Local Income Taxes

(line 5a, Schedule A)

State and local income taxes paid could be used as an itemized deduction if a taxpayer had state and local income tax withheld from their salary during 2005; had paid state and local income taxes directly during 2005 for a prior year, or had made mandatory contributions to specific state disability funds. (See also "Taxes Paid Deduction.")

State and Local Taxes

(line 5, Schedule A)

This is the total of State and Local Income Taxes (line 5a) or Sales Tax Deduction (line 5b). The taxpayer could elect to use either line, but not both.

Statutory Adjustments Δ

(lines 23-36, Form 1040)

Certain adjustments to total income were allowed as deductions in the calculation of adjusted gross income. For 2005, statutory adjustments included educator expenses, certain business expenses of certain reservists, performing artists, and fee-basis government officials, health savings account deduction, moving expenses, the deduction for one-half of self-employment tax, payments to a self-employed Keogh retirement plan or a simplified employee pension (SEP), the self-employed health insurance deduction, penalty on early withdrawal of savings, alimony paid, payments to an IRA, student loan interest deductions, tuition and fees deductions, deduction for certain domestic production activities, and the foreign housing deduction. Each of the above items is described separately in this section. In addition, statutory adjustments included Archer medical savings account deductions, deduction for clean-fuel vehicles, performing-arts-related expenses, jury duty pay received by the taxpayer and given to the employer if the taxpayer

continued to receive wages while on jury duty, deductible expenses related to income of personal property, the forestation/reforestation amortization deduction, and the repayment of supplemental unemployment benefits under the Trade Act of 1974. If not listed separately, these amounts are included in the "Other Adjustments" category in the statistics.

Student Loan Interest Deduction Δ

(line 33, Form 1040)

For 2005, eligible taxpayers were allowed to deduct up to \$2,500 for interest paid on qualified higher educational loans. The deduction was phased out for taxpayers with modified AGI between \$50,000 to \$65,000 (\$105,000 to \$135,000 for taxpayers filing a joint return).

Tax Credits

See "Total Tax Credits."

Tax Due at Time of Filing

(line 75, Form 1040)

"Tax due" was reported on returns on which total tax liability exceeded total tax payments.

Tax from Recomputing Prior-Year Investment Credit

(included line 63, Form 1040)

The investment tax credit provisions of the law included a recapture rule which required taxpayers to pay back some or all of any investment credit previously taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for the credit was disposed of before the end of its useful life, the tax for the year of disposal was increased by the difference between the credit originally claimed and the credit that would have been allowed based on the shorter actual life. Tax credits could not be applied against this additional tax. Also tax from recapture of an education credit was reported here.

Tax Generated Δ

(line 44, Form 1040)

This amount was the tax computed on modified taxable income. The tax rates for 2005 were 10, 15, 25, 28, 33, and 35 percent. The 10-percent bracket applied to taxable income equal to or below \$7,300 for single filers and married persons filing separately; \$14,600 for joint filers or surviving spouses; and \$10,450 for heads of household. The 15-percent bracket applied to taxable income in excess of the 10-percent bracket ceiling and equal to or below \$29,700 for single filers; \$59,400 for joint filers or surviving spouses; \$29,700 for married persons filing separately; and \$39,800 for heads of household. The 25.0 percent tax bracket applied to taxable income in excess of the 15-percent bracket ceiling and equal to or below \$71,950 for single filers; \$119,950 for joint filers or surviving spouses; \$59,975 for married persons filing separately; and \$102,800 for heads of household. The 28 percent tax rate applied to taxable income in excess of the 25 percent tax bracket ceiling and equal to or below \$150,150 for single filers; \$182,800 for joint filers or surviving spouses; \$91,400 for married persons filing separately; and \$166,450 for heads of households. The 33 percent tax rate applied to taxable income in excess of the 28 percent tax bracket ceiling and equal to or below \$326,450 for single filers, joint filers, or surviving spouses and heads of households and \$163,225 for married persons filing separately. The 35 percent tax rate applied to taxable income in excess of the upper boundary for the 33 percent tax bracket. The tax generated at each of these tax rates is shown in Tables 3.4, 3.5, and 3.6.

If children under age 14 had investment income that exceeded \$1,600, there were two methods of reporting this income. If the child filed his or her own return, the investment income that exceeded \$1,600 was taxed at the parents' rate on Form 8615 (the remaining investment income was taxed at the child's rate) and tabulated separately in Tables 3.4, 3.5, and 3.6. If the parents elected to report the child's investment income on their return, they attached a Form 8814. The investment income in excess of \$1,600 was included on

either Form 1040, line 21 or in the case of capital gains distributions on either Form 1040, line 13 or Schedule D, line 13, or qualified dividends on Form 1040, line 9b. The remaining investment income in excess of the \$800 standard deduction was taxed at the child's rate, added to the parents' tax on Form 1040, line 44, and is also tabulated separately in Tables 3.4, 3.5, and 3.6.

On most returns, except those with additional taxes from special computations, "tax generated" equaled "income tax before credits." (See also "Modified Taxable Income")

Tax Payments

(lines 64, 65, 67, 69-71, Form 1040)

These payments were generally made before the return was filed and were applied against tax liability to determine any amount payable or refundable at the time of filing. They consisted of the following:

- (1) income tax withheld, including backup withholding;
- (2) estimated tax payments (including those from overpayment on 2004 return);
- (3) payment with request for extension of filing time;
- (4) excess social security, Medicare, or railroad retirement tax withheld;
- (5) credit for tax on certain gasoline, fuel, and oil; and
- (6) credit from regulated investment companies.

Each of the above is described under a separate heading in this section.

Although the earned income credit was included with tax payments on the tax return itself (line 66a, Form 1040), for the statistics it is treated partly as a credit against income tax liability and partly as a refundable amount. (See also "Earned Income Credit.") Also, the additional child credit was included on the tax return as a payment but not treated that way for the statistics.

Tax Penalty

(line 76, Form 1040)

See "Predetermined Estimated Tax Penalty."

Tax Preparation Fees

(line 21, Schedule A)

Tax preparation fees were included on Schedule A as a miscellaneous deduction, the total of which was subject to a 2 percent of AGI floor. The amounts reported in the statistics are prior to this floor. (See also "Limited Miscellaneous Deductions.")

Tax Rates, Tax Rate Classes

See "Tax Generated."

Tax Withheld

(line 64, Form 1040)

See "Income Tax Withheld."

Tax-Exempt Interest

(line 8b, Form 1040)

Tax-exempt interest included interest on certain State and municipal bonds, as well as any tax-exempt interest dividends from a mutual fund or other regulated investment company. This was an information reporting requirement and did not convert tax-exempt interest into taxable interest. It is included as income for certain programs, for example for the earned income credit or taxability of social security benefits.

Taxable and Nontaxable Returns

The taxable and nontaxable classification of a return for this report is determined by the presence of "total income tax". Some returns classified as "nontaxable" may have had a liability for other taxes, such as self-employment tax, uncollected employee social security and medicare tax on tips, tax from recomputing prior-year investment credit, penalty taxes on individual retirement accounts, Section 72 penalty taxes, advance earned income credit payments, household employment taxes, or golden parachute payments. These taxes, however, were disregarded for the purposes of this classification since three of the above taxes were considered social security (rather than income) taxes, and the remaining ones, except for advance earned income payments, were either based on

prior year's income or were penalty taxes.

For this report, the earned income credit is treated first as an amount used to offset income tax before credits. Since the earned income credit was refundable, it was subtracted from income tax (for the statistics) after reduction by all other statutory credits. As a result, some returns became nontaxable strictly because of the earned income credit and the earned income credit equaled or exceeded income tax before credits reduced by any other credits.

It should be noted that classification as taxable or nontaxable was based on each return as it was filed and does not reflect any changes resulting from audit or other enforcement activities. (See also, "Total Income Tax.")

Taxable Income

(line 43, Form 1040)

Taxable income was derived by subtracting from adjusted gross income any exemption amount and either total itemized deductions or the standard deduction. (See "Modified Taxable Income.")

Taxable Interest (Received)

(line 8a, Form 1040)

This amount was the taxable portion of interest received from bonds, debentures, notes, mortgages, certain insurance policy proceeds, personal loans, bank deposits, savings deposits, tax refunds, and U.S. savings bonds. Also included as interest were "dividends" on deposits or withdrawable accounts in mutual savings banks, savings and loan associations, and credit unions. Interest on state or local government obligations remained tax-exempt, but the total tax-exempt interest had to be reported on line 8b of Form 1040. It was not included in the taxpayer's income for tax purposes. (See also "Tax-Exempt Interest.")

Taxable IRA Distributions (in AGI)

(line 15b, Form 1040)

See "Individual Retirement Arrangement Taxable Distributions."

Taxable Pensions and Annuities (in AGI)

(line 16b, Form 1040)

See "Pensions and Annuities."

Taxable Social Security Benefits

(line 20b, Form 1040)

See "Social Security Benefits."

Taxes Paid Deduction

(lines 5-9, Schedule A)

Taxes allowed as an itemized deduction from adjusted gross income, included personal property taxes, state and local income taxes or general sales taxes, taxes paid to foreign countries or U.S. possessions (unless a foreign tax credit was claimed), and real estate taxes except those levied for improvements that tended to increase the value of the property. Mandatory employee contributions to a state disability fund and employee contributions to a state unemployment fund were also included. Federal taxes were not deductible.

Taxes paid on business property were deducted separately on the schedules for business, rent, royalty, and farm income and are excluded from the "taxes paid" statistics in this report.

Total Income

(line 22, Form 1040)

Total income was the sum of the individual income items (lines 7 through 21) before adjustments.

Total Income Tax

(line 57 + any Form 4970 tax on line 63 - line 66a, limited to zero, on Form 1040)

Total income tax was the sum of income tax after credits (including the subtraction of the earned income credit). For 2005, total income tax included the tax from Form 4970 (\$425 thousand). It did not include any of the other taxes that made up total tax liability. Total income tax was the basis for classifying returns as taxable or nontaxable.

Total Itemized Deductions Δ

(included in line 40, Form 1040)

Itemized deductions from adjusted gross income could be claimed for medical and dental expenses, certain taxes paid, interest paid, charitable contributions, casualty and theft losses, and miscellaneous deductions. Itemized deductions were claimed only if they exceeded the total standard deduction, with three exceptions. First, if a taxpayer was married and filing separately, and his or her spouse itemized deductions, the spouse was required to itemize as well. Second, taxpayers in several states were required to itemize deductions on their Federal tax returns if they wished to itemize on their State returns. Third, if a taxpayer benefited for alternative minimum tax purposes, they might itemize even though the standard deduction was larger. The total amount of itemized deductions was tabulated only from returns showing positive adjusted gross income.

If a taxpayer had AGI in excess of \$145,950 (\$72,975 if married filing separately), his or her itemized deductions may have been limited. The limitation did not apply to the deductions for medical and dental expenses, investment interest expenses, casualty or theft losses, and gambling losses. To arrive at allowable itemized deductions, total itemized deductions were reduced by the smaller of: a) 3 percent of the amount of AGI in excess of \$145,950 (\$72,975) or b) 80 percent of the non-exempt deductions. Therefore, total itemized deductions is the sum of the separate deductions cited above, less the itemized deduction limitation.

Total Miscellaneous Deductions

See "Miscellaneous Itemized Deductions."

Total Rent and Royalty Income or Loss

(line 26 plus lines 39 and 40, Schedule E)

This income concept consisted of all rent and royalty income and loss that was used in computing adjusted gross income, including farm rental income and suspended rental loss carry-over from prior years. It excluded the portion of

rental losses that was not deductible in computing adjusted gross income due to the passive loss rules. Income or loss from real estate mortgage investment conduits were also included in this concept.

Total Statutory Adjustments

(line 36, Form 1040)

Total statutory adjustments was the sum of the individual adjustments to income (lines 23-36) (Note: foreign housing, Archer MSA, and other adjustments were reported on line 36).

Total Tax Credits Δ

(lines 56, 66a, Form 1040)

For this report, total tax credits consists of the following:

- (1) foreign tax credit;
- (2) child care credit;
- (3) credit for the elderly and disabled;
- (4) education credits;
- (5) retirement savings contributions credit;
- (6) child tax credit;
- (7) adoption credit;
- (8) mortgage interest credit;
- (9) District of Columbia first time homebuyers credit;
- (10) general business credit;
- (11) minimum tax credit;
- (12) qualified electric vehicle credit;
- (13) empowerment zone and renewal community employment credit;
- (14) alcohol used as fuel credit;
- (15) renewable electricity, refined coal, and Indian coal production credit;
- (16) nonconventional source fuel credit and;
- (17) other tax credits;
- (18) earned income credit (EIC) used to offset income tax before credits

These amounts were deducted from income tax before credits to arrive at income tax after credits. For the statistics, the portion of the EIC that did not result in a negative amount is tabulated as "earned income credit used to offset income tax before credits." Any remaining EIC amount could be refunded or applied to other taxes, and

is classified separately as “earned income credit refundable portion,” or “earned income credit used to offset other taxes.” All other credits were limited to the amount needed to offset income tax before credits and were not refundable (except the child tax credit – see “Child Tax Credit”) or used to offset any other taxes.

Total Tax Liability

(line 63 modified by the earned income credit and additional child tax credit, Form 1040)

Total tax liability was the sum of income tax after credits, self-employment tax, social security and Medicare tax on tips, tax from recapturing prior-year investment credits, low income housing credit, qualified electric vehicle credit, Indian employment credit, new market credit, employer-provided child care facilities credit, tax from recapture of federal mortgage subsidy, taxes from qualified plans (including individual retirement accounts) and other tax favored accounts, Section 72 penalty taxes, household employment taxes, tax on golden parachute payments and Form 4970 tax. These taxes were then reduced by the earned income credit used to offset all other taxes (defined under “Earned Income Credit” and “Additional Child Tax Credit”), limited to zero. For the statistics, unlike the Form 1040, total tax liability does not include any advance earned income credit payments.

Total Tax Payments

See “Tax Payments.”

Total Taxable IRA Distributions

See “Individual Retirement Arrangement Taxable Distributions.”

Total Unlimited Miscellaneous Deductions

(line 27, Schedule A)

See “Miscellaneous Itemized Deductions.”

Tuition and Fees Deduction

(line 34, Form 1040)

A taxpayer was able to deduct up to \$4,000 of the qualified tuition and fees paid for themselves, a spouse, or dependents if the taxpayer’s modified AGI was under \$65,000 (\$130,000 if married filing jointly). A taxpayer was able to deduct up to \$2,000 if their AGI was higher than the limit but not more than \$80,000 (\$160,000 if married filing jointly). This deduction could not be taken if the person could be claimed as a dependent on another taxpayer’s return or if they claimed the education credit for the same student.

Type of Tax Computation

(line 44, Form 1040)

Tabulations in Table 3.1 include three methods of computing the tax on income subject to tax. These methods were:

- (1) regular tax, as computed from the tax tables or tax rate schedules accompanying the Forms 1040, 1040A, or 1040EZ. Schedule J, *Income Averaging for Farmers and Fishermen*, returns are included with regular tax. (See also “Regular Tax Computation”);
- (2) Form 8615, used to compute the tax on investment income of children under 14; and
- (3) Schedule D, Form 1040, used to compute the tax on long-term capital gains (in excess of short-term capital losses.) These include returns with capital gain distributions reported on Form 1040 or qualified dividends, also. This tax could be at various rates, 5, 8, 10, 15, 20, 25, or 28 percent.

Unemployment Compensation

(line 19, Form 1040)

All unemployment compensation received was taxable. It did not include any supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund, which were included in salaries and wages.

Unreimbursed Employee Business Expenses

(line 20, Schedule A)

This item, added together with most other miscellaneous itemized deductions, was subject to a floor of 2 percent of AGI. Unreimbursed employee business expenses included travel, transportation, meal, and entertainment costs incurred while based at or away from home in the performance of job duties. In most cases, fifty percent of meal and entertainment expenses were deductible, and were calculated on Form 2106, *Employee Business Expenses*. Many other expenses such as union dues, safety equipment, uniforms, protective clothing, and physical examinations were also deductible. Travel expenses away from home, which were paid or incurred, were not deductible if the period of temporary employment was more than one year. The amounts reported in the statistics were prior to the 2 percent floor. (See also "Limited Miscellaneous Itemized Deductions.")

Section 5

2005 Forms

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1040 U.S. Individual Income Tax Return 2005

Department of the Treasury - Internal Revenue Service

OMB No. 1545-0047

For the year 2005, use this form if you are a U.S. citizen or resident alien, or a U.S. estate or trust.

Cat No 113208

Form 1040 (2005)

Label

(See instructions on page 15.)

Use the IRS label.

Otherwise, please print name and address.

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Your first name and initial

Last name

Your social security number

Spouse's social security number

You must enter your SSN(s) above

Check a box below will not change your tax or refund

You

Spouse

Head of household (with qualifying person) (see page 17)

Married filing jointly (even if only one had income)

Married filing separately. Enter spouse's SSN above

Qualifying widow(er) with dependent child (see page 17)

Yourself. If someone can claim you as a dependent, do not check box 6a

Spouse

Dependents:

(1) First name

Last name

(2) Dependents' social security number

You

No. of children on 6a and 6b

Lived with you on 6c who

You did not live with you due to divorce or separation (see page 20)

Dependents on 6c not entered above

Add numbers on lines above

Total number of exemptions claimed

Wages, salaries, tips, etc. (Attach Form(s) W-2)

Taxable interest (Attach Schedule B if required)

Tax-exempt interest. Do not include on line 8a

Ordinary dividends (Attach Schedule B if required)

Qualified dividends (see page 23)

Taxable refunds, credits, or offsets of state and local income taxes (see page 23)

Alimony received

Business income (or loss) (Attach Schedule C or C-EZ)

Capital gain (or loss) (Attach Schedule D if required. If not required, check here)

Other gains (or losses) (Attach Form 4797)

IRA distributions

Taxable amount (see page 25)

Persons and annuities

Taxable amount (see page 25)

Rental real estate royalties, partnerships, S corporations, trusts, etc. (Attach Schedule E)

Farm income (or loss) (Attach Schedule F)

Unemployment compensation

Social security benefits

Taxable amount (see page 29)

Other income. List type and amount (see page 29)

Add the amounts in the far right column for lines 7 through 21. This is your total income

Educator expenses (see page 29)

Certain business expenses of reservists, performing artists, and fee-based government officials (Attach Form 2106 or 2106-EZ)

Health savings account deduction (Attach Form 8889)

Moving expenses (Attach Form 3903)

One-half of self-employment tax (Attach Schedule SE)

Self-employed SEP, SIMPLE, and qualified plans

Self-employed health insurance deduction (see page 30)

Penalty on early withdrawal of savings

Amortized bond premium

IRA deduction (see page 31)

Student loan interest deduction (see page 33)

Tuition and fees deduction (see page 34)

Domestic production activities deduction (Attach Form 8805)

Add lines 23 through 31a and 32 through 35

Subtract line 36 from line 22. This is your adjusted gross income

Form 1040 (2005)

Tax and Credits

Standard Deduction

38 Amount from line 37 (adjusted gross income)

39a Check ☐ You were born before January 2, 1941. ☐ Blind ☐ Total boxes checked ☐ 39ab ☐ Spouse was born before January 2, 1941. ☐ Blind ☐ Total boxes checked ☐ 39bc ☐ If your spouse lives on a separate return or you were a dual status alien, see page 35 and check "yes" ☐ 39cd ☐ Itemized deductions (from Schedule A) or your standard deduction (see left margin)

40 Subtract line 40 from line 38

41 If line 38 is over \$109,775, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,200 by the total number of exemptions claimed on line 6d

42 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-

43 Tax (see page 31). Check if any tax from a ☐ Form(s) 9814 ☐ Form 4872

44 Alternative minimum tax (see page 39). Attach Form 6251

45 Add lines 44 and 45

46 Foreign tax credit. Attach Form 1116 if required

47 Credit for child and dependent care expenses. Attach Form 2441

48 Credit for the elderly or the disabled. Attach Schedule R

49 Education credits. Attach Form 8863

50 Retirement savings contributions credit. Attach Form 8880

51 Child tax credit (see page 41). Attach Form 8801 if required

52 Adoption credit. Attach Form 6693

53 Credits from a ☐ Form 6396 ☐ Form 885954 Other credits. Check applicable box(es): a ☐ Form 3800b ☐ Form 8801 c ☐ Form

55 Add lines 47 through 55. These are your total credits

56 Subtract line 56 from line 45. If line 56 is more than line 45, enter -0-

57 Self-employment tax. Attach Schedule SE

58 Social security and Medicare tax on income not reported to employer. Attach Form 4137

59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required

60 Advance earned income credit payments from Form(s) W-2

61 Household employment taxes. Attach Schedule H

62 Add lines 57 through 62. This is your total tax

63 Federal income tax withheld from Forms W-2 and 1099

64 2005 estimated tax payments and amount applied from 2004 return

65 Earned income credit (EIC)

66a Nonrefundable combat pay election ☐ 66b

67 Excess social security and tier 1 RRTA tax withheld (see page 59)

68 Additional child tax credit. Attach Form 8812

69 Amount paid with request for extension to file (see page 59)

70 Payments from a ☐ Form 2439 b ☐ Form 413 c ☐ Form 8855

71 Add lines 64, 65, 66a, and 67 through 70. These are your total payments

72 If line 71 is more than line 63, subtract line 63 from line 71. This is the amount you overpaid

73a Amount of line 72 you want refunded to you ☐ c ☐ Type ☐ Checking ☐ Savings73b Routing number ☐ Account number ☐74 Amount of line 72 you want applied to your 2006 estimated tax ☐ 74

75 Amount you owe. Subtract line 71 from line 63. For details on how to pay, see page 60

76 Estimated tax penalty (see page 60)

77 Do you want to allow another person to discuss this return with the IRS (see page 61)? ☐ Yes. Complete the following ☐ No

Third Party

Designee

Sign

Here

Joint return?

See page 17

Keep a copy for your records

Paid

Preparer's

Use Only

Under penalties of perjury, I declare that I have examined this return and accompanying schedule and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature

Date

Your occupation

Spouse's signature. If a joint return, both must sign

Date

Spouse's occupation

Date

Preparer's signature

Date

Preparer's occupation

Date

Check if self-employed ☐

EN

Phone no

Daytime phone number

Preparer's SSN or PTIN

Form 1040 (2005)

Printed on recycled paper

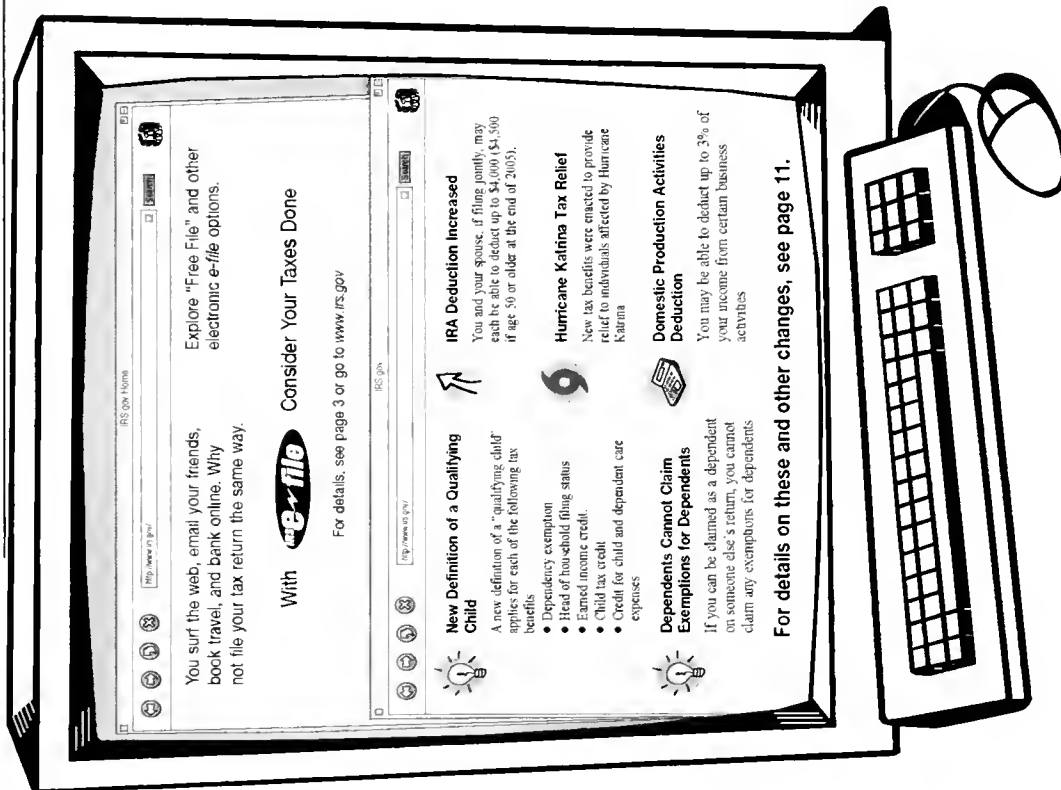
Note. This booklet does not contain any tax forms.



Department of the Treasury
Internal Revenue Service
www.irs.gov

2005 1040

Instructions



Cat No 24811V

A Message From the Commissioner

Dear Taxpayer,

American taxpayers made history in 2005. For the first time, over half of all individuals filed their tax returns electronically. More than 68 million people "e-filed." E-file is fast, secure, and accurate. The software catches errors that may otherwise hold up the processing of a paper return. Refunds come a lot sooner. I encourage you to consider this option. Taxpayers who file electronically prefer it.

IRS.gov (www.irs.gov) was visited over 137 million times during last year's filing season, making it one of the most used websites in America. IRS.gov provides ready access to all IRS forms and publications, answers to frequently asked questions, and interactive features, such as Where's My Refund, the Withholding Calculator, and the EITC Assistant eligibility tool. In addition, Free File, also available through IRS.gov, provides free and convenient access to e-file. This free service was used by five million taxpayers last year.

The IRS also answered over 33 million toll-free calls from taxpayers last year. We achieved an all-time high for the accuracy of our answers. IRS-sponsored volunteer return preparation has almost doubled since 1999, helping more than two million people file returns.

As we improve services to taxpayers, the IRS continues to emphasize fair and balanced enforcement of the law. Americans have every right to be confident that when they pay their taxes, neighbors and competitors are doing the same.

I hope this tax booklet is useful to you. For further information, you may contact us online at www.irs.gov or call our toll-free numbers 1-800-829-1040 for individuals and 1-800-829-4933 for businesses.

Sincerely,

Mark W. Everson

The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.

Tax Return Page Reference

Questions about what to put on a line? Help is on the page number in the circle.

[illegible]

Case No. 113208

For Disclosure Privacy Act and Paperwork Reduction Act Notices, see page 78

4.



consider it done

What is IRS e-file?

It's the fastest, easiest, and most convenient way to file your income tax return electronically. So easy, over 68 million taxpayers preferred *e-file* over filing a paper income tax return last year. Visit the IRS website at www.irs.gov/efile for all the details and latest information.

What are the benefits?

Millions Eligible for Free File!

- Free File allows qualified taxpayers to prepare and *e-file* their own tax returns for free using commercially available online tax preparation software
- Review online tax software provider offerings and determine if you are eligible by visiting the Free File page at www.irs.gov

Fast! Fast! Convenient!

- Get your refund in half the time as paper filers do, even faster and safer with direct deposit. See page 59
- Sign electronically and file a completely paperless return. See page 61
- Receive an electronic proof of receipt within 48 hours after the IRS received your return
- If you owe, you can *e-file* and authorize an electronic funds withdrawal or pay by credit card. If you *e-file* before April 1st 2006, you can schedule an electronic funds withdrawal from your checking or savings account as late as April 17th 2006. See page 60

Accurate! Secure!

- **IRS computers quickly and automatically check for errors or other missing information**
- **The chance of being audited does not differ whether you e-file or file a paper income tax return.**
- **Your bank account information is safeguarded along with other tax return information. The IRS does not have access to credit card numbers**

Visit the IRS website at www.irs.gov/file for details

How to e-file?

Use an Authorized IRS e-file



Many tax professionals electronically file tax returns for their clients. As a taxpayer, you have two options:

- You can prepare your return, take it to an Authorized IRS e-file Provider, and have the provider transmit it electronically to the IRS, or

- You can have a tax professional prepare your return and transmit it for you electronically.

Tax professionals can charge a fee for IRS e-file fees can vary depending on the professional and the details

If you do not qualify for the Free File options, visit our Partners Page at www.irs.gov/eFile for partners that offer other free or low-cost filing options.



Use a Personal Computer

You can file your income tax return in a fast, easy, convenient way using your personal computer. A computer with a modem or Internet access and tax preparation software are all you need. Best of all, you can e-file from the comfort of your home 24 hours a day, 7 days a week. Visit www.irs.gov for details.

day, 7 days a week. Visit www.irs.gov for details.

for online use on the Internet, for download from the Internet, and in retail stores. Visit www.irs.gov/efile for details.

If you do not qualify for the Free File options, visit our Partners Page at www.irs.gov/efile for partners that offer other free or low-cost filing options.

3

Tax Return Page Reference

Questions about what to put on a line? Help is on the page number in the circle.

Form 1040 (2005) Page 2

Tax and Credits

38 Amount from line 37 (adjusted gross income) **38**

39 Check ☐ You were born before January 2, 1941. ☐ Blind ☐ Total boxes checked **39**

40 If ☐ Spouse was born before January 2, 1941. ☐ Blind ☐ Total boxes checked **40**

41 If you have a dependent who is a child, grandchild, or other person for whom you can be claimed as a dependent, check the box that applies. **41**

42 If line 38 is over \$10,000, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,000 by the total number of dependents claimed on line 40. **42**

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-. **43**

44 Tax (see page 37). Check if any tax is from: a ☐ Form 8814 b ☐ Form 4872 **44**

45 Alternative minimum tax (see page 38). Attach Form 6251. **45**

46 Add lines 44 and 45 **46**

47 Foreign tax credit. Attach Form 1118 if required **47**

48 Credit for child and dependent care expenses. Attach Form 2441 **48**

49 Credit for the elderly or the disabled. Attach Schedule R **49**

50 Education credits. Attach Form 8863 **50**

51 Retirement savings contributions credit. Attach Form 8880 **51**

52 Child tax credit (see page 47). Attach Form 8801 if required **52**

53 Adoption credit. Attach Form 8839 **53**

54 Credits from a ☐ Form 8396 b ☐ Form 8885 **54**

55 Other credits. Check applicable box(es): a ☐ Form 3800 b ☐ Form 8801 c ☐ Form **55**

56 Add lines 47 through 55. These are your total credits **56**

57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0- **57**

Other Taxes

58 Self-employment tax. Attach Schedule SE **58**

59 Social security and Medicare tax on tips not reported to employer. Attach Form 437 **59**

60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5320 if required **60**

61 Household employment taxes. Attach Schedule H **61**

62 Add lines 57 through 61. This is your total tax **62**

63 Federal income tax withheld from Forms W-2 and 1099 **63**

64 2005 estimated tax payments and amount applied from 2004 return **64**

65 Earned income credit (EIC) **65**

66 If you have a dependent who is a child, grandchild, or other person for whom you can be claimed as a dependent, check the box that applies: a ☐ Form 8814 b ☐ Form 4872 **66**

67 Excess social security and tier 1 RRTA tax withheld (see page 59) **67**

68 Additional child tax credit. Attach Form 8812 **68**

69 Amount paid with request for extension to file (see page 59) **69**

70 Payments from: a ☐ Form 2559 b ☐ Form 438 c ☐ Form 8881 **70**

71 Add lines 64, 65, 66, and 67 through 70. These are your total payments **71**

72 If line 71 is more than line 62, subtract line 62 from line 71. This is the amount you overpaid **72**

73a Amount of line 72 you want refunded to you **73a**

73b Refunding number **73b**

73c Type ☐ Savings ☐ Checking **73c**

74 Amount of line 72 you want applied to your 2006 estimated tax **74**

75 Amount you owe. Subtract line 71 from line 63. For details on how to pay, see page 60 **75**

76 Estimated tax penalty (see page 60) **76**

77 Do you want to allow another person to discuss this return with the IRS (see page 61)? **77**

Third Party Designee

Designee's name **61** Designee's phone number **61** Designee's personal identification number (PIN) **61**

Sign Here

Taxpayer's signature **61** Date **61** Taxpayer's occupation **61**

Spouse's signature (If a joint return, both must sign) **61** Date **61** Spouse's occupation **61**

Preparer's signature **61** Date **61** Preparer's SSN or PTIN **61**

Preparer's name for Form 1040 **61** Preparer's address and ZIP code **61**

Form 1040 (2005)

IRS Customer Service Standards

At the IRS, our goal is to continually improve the quality of our services. To achieve that goal, we have developed customer service standards in the following areas.

- Easier filing and payment options.
- Access to information.
- Accuracy.

If you would like information about the IRS standards and a report of our accomplishments, see Pub. 2183.

Help With Unresolved Tax Issues

Office of the Taxpayer Advocate

Contacting Your Taxpayer Advocate

If you have attempted to deal with an IRS problem unsuccessfully, you should contact your Taxpayer Advocate.

The Taxpayer Advocate independently represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels.

While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

Handling Your Tax Problems

Your assigned personal advocate will listen to your point of view and will work with you to address your concerns. You can expect the advocate to provide you with:

- A "fresh look" at your new or on-going problem.
- Timely acknowledgment.
- The name and phone number of the individual assigned to your case.
- Updates on progress.
- Timeframes for action.
- Speedy resolution, and
- Courteous service.

Information You Should Be Prepared To Provide

- Your name, address, and social security number (or employer identification number).
- Your telephone number and hours you can be reached.
- The type of tax return and years) involved.
- A detailed description of your problem.
- Your previous attempts to solve the problem and the office you contacted, and
- Description of the hardship you are facing and supporting documentation (if applicable).

How To Contact Your Taxpayer Advocate

- Call the Taxpayer Advocate's toll-free number: 1-877-777-4778
- Call, write, or fax the Taxpayer Advocate office in your area (see Pub. 1546 for addresses and phone numbers)
- TTY/TDD help is available by calling 1-800-829-4759
- Visit the website at www.irs.gov/advocate

Quick and Easy Access to Tax Help and Forms

If you live outside the United States, see Pub. 54 to find out how to get help and forms.



Internet

You can access the IRS website 24 hours a day, 7 days a week, at www.irs.gov.

- Access commercial tax preparation and e-file services available free to eligible taxpayers.
- Check the status of your 2005 refund.
- Download forms, instructions, and publications.
- Order IRS products online.
- Research your tax questions online.
- Search publications online by topic or keyword.
- Figure your withholding allowances using our W-4 calculator, and
- Sign up to receive local and national tax news by email.



Mail

You can order forms, instructions, and publications by completing the order blank on page 80. You should receive your order within 10 days after we receive your request.



Walk-In

You can pick up some of the most requested forms, instructions, and publications at many IRS offices, post offices, and libraries. Some grocery stores, copy centers, city and county government offices, credit unions, and office supply stores have a collection of reproducible tax forms available to photocopy or print from a CD-ROM.



Phone

You can order forms and publications and receive automated information by phone.

Forms and publications. Call 1-800-TAX-FORM (1-800-829-3676) during the hours shown on page 10 to order current-year forms, instructions, and publications, and prior-year forms and instructions. You should receive your order within 10 days.

TeleTax topics. Call 1-800-829-4477 24 hours a day, 7 days a week, to listen to pre-recorded messages covering about 150 tax topics. See pages 8 and 9 for a list of the topics.

Refund information. You can check the status of your 2005 refund 24 hours a day, 7 days a week. See page 8 for details.



CD-ROM

You can order Publication 1796, IRS Tax Products CD-ROM, and obtain

- A CD that is released twice so you have the latest products. The first release ships in late December and the final release ships in late February.
- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Tax Map, an electronic research tool and finding aid.
- Tax law frequently asked questions.
- Tax Topics from the IRS telephone response system.
- Fill-in, print, and save features for most tax forms.
- Internal Revenue Bulletins.
- Toll-free and email technical support.

Buy the CD-ROM from National Technical Information Service (NTIS) at www.irs.gov/cdorders for \$25 (no handling fee) or call 1-877-CDFORMS (1-877-233-6767) toll-free to buy the CD-ROM for \$25 (plus a \$5 handling fee).

Other ways to get help. See page 63 for information.

Refund Information

You can check on the status of your 2005 refund if it has been at least 6 weeks from the date you filed your return (3 weeks if you filed electronically). But if you filed Form 8879 with your return, allow 14 weeks (11 weeks if you filed electronically).

Be sure to have a copy of your 2005 tax return available because you will need to know the filing status and the exact whole-dollar amount of your refund. Then, do one of the following:

- Go to www.irs.gov and click on *Where's My Refund*.
- Call 1-800-829-4477 24 hours a day, 7 days a week, for automated refund information.

• Call 1-800-829-1954 during the hours shown on page 10.



TIP Refunds are sent out weekly on Fridays. If you check the status of your refund and are not given the date it will be issued, please wait until the next week before checking back.

Do not send in a copy of your return unless asked to do so.

To get a refund, you generally must file your return within 3 years from the date the return was due (including extensions).

What Is TeleTax?

Recorded Tax Information

Recorded tax information is available 24 hours a day, 7 days a week. Select the number of the topic you want to hear. Then, call 1-800-829-4477. Have paper and pencil handy to take notes.

Topics by Internet

TeleTax topics are also available through the IRS website at www.irs.gov.

TeleTax Topics

All topics are available in Spanish.

Topic No.	Subject
101	IRS services—Volunteer tax assistance, toll-free telephone, walk-in assistance, and outreach programs
102	Tax assistance for individuals with disabilities and the hearing impaired
103	Tax help for small businesses and the self-employed
104	Taxpayer Advocate Service—Help for problem situations
106	Tax relief for victims of terrorist attacks

Topic No.	Subject
156	Copy of your tax return—How to get one
157	Change of address—How to notify IRS
158	Ensuring proper credit of payments
159	Prior year(s) Form W-2—How to get a copy of
201	The collection process
202	What to do if you can't pay your tax
203	Failure to pay child support and federal non-tax and state income tax obligations
204	Offers in compromise
205	Innocent spouse relief (and separation of liability and equitable relief)
251	Electronic signatures
252	Electronic filing
253	Substitute tax forms
254	How to choose a paid tax preparer
256	Filing business returns electronically

IRS Procedures

151	Your appeal rights
152	Refunds—How long they should take
153	What to do if you haven't filed your tax return
154	2005 Form W-2 and Form 1099-R—What to do if not received
155	Forms and publications—How to order

Alternative Filing Methods

351	Who must file?
352	Which form—1040, 1040A, or 1040EZ?
353	What is your filing status?
354	Dependents
355	Estimated tax
356	Decedents
357	Tax information for parents of kidnapped children

General Information

301	When, where, and how to file
302	Highlights of tax changes

Types of Income

401	Wages and salaries
-----	--------------------

TeleTax Topics

(Continued)

Topic No.	Subject
510	Business use of car
511	Business travel expenses
512	Business entertainment expenses
513	Education expenses
514	Employee business expenses
515	Casualty, disaster, and theft losses
Tax Computation	
551	Standard deduction
552	Tax and credits figured by the IRS
553	Tax on a child's investment income
554	Self-employment tax
555	Ten-year tax option for lump-sum distributions
556	Alternative minimum tax
557	Tax on early distributions from traditional and Roth IRAs
558	Tax on early distributions from retirement plans
Tax Credits	
601	Earned income credit (EIC)
602	Child and dependent care credit
603	Credit for the elderly or the disabled
604	Education earned income credit
605	Education credits
606	Child tax credits
607	Adoption credit
608	Excess social security and RRTA tax withheld
610	Retirement savings contributions credit
IRS Notices	
651	Notices — What to do
652	Notice of underreported income — (P 2000)
653	IRS notices and bills, penalties, and interest charges
Basis of Assets, Depreciation, and Sale of Assets	
701	Sale of your home
703	Basis of assets
704	Depreciation
705	Insultant sales
Employer Tax Information	
751	Social security and Medicare withholding rates
752	Form W-2 — Where, when, and how to file
753	Form W-4 — Employee's Withholding Allowance Certificate
754	Form W-5 — Advance earned income credit

Calling the IRS

If you cannot find the answer to your question using one of the methods listed on page 7, please call us for assistance at 1-800-829-1040. You will not be charged for the call unless your phone company charges you for toll-free calls. Our normal hours of operation are Monday through Friday from 8:00 a.m. to 8:00 p.m. local time. Assistance provided to callers from Alaska and Hawaii will be based on the hours of operation in the Pacific time zone. These hours are subject to change. If you call when assistance is not available, you will receive a message giving the updated hours of operation.



If you want to check the status of your 2005 refund, see Refund Information on page 8

Before You Call

Before You Call

- customer. You can help us provide accurate, complete answers to your questions by having the following information available:
- The tax form, schedule, or notice to which your question relates
 - The facts about your particular situation
- The answer to the same question often varies from one taxpayer to another, because of differences in their age, income, whether they can be claimed as a dependent, etc.

Making the Call

Making the Call

- Your social security number
- The amount of refund and filing status shown on your tax return
- The "Caller ID Number" shown at the top of any notice you received
- Your personal identification number (PIN) if you have one
- Your date of birth
- The numbers in your street address
- Your ZIP code

Before You Hang Up

If you do not fully understand the answer you receive, or you feel our representative may not fully understand your question, our representative needs to know this. He or she will be happy to take additional time to be sure your question is answered fully.

By law, you are responsible for paying your share of federal income tax. If we should make an error in answering your question, you are still responsible for the payment of the correct tax. Should this occur, however, you will not be charged any penalty.

Before You Fill In Form 1040

TIP For details on these and other changes for 2005 and 2006, see Pub. 553. Pending legislation may eliminate one or more of the last five changes listed under What's New for 2006.

- Special rules for time and support tests for people who were temporarily relocated because of Hurricane Katrina.
- Special rules for withdrawals and loans from IRAs and other qualified retirement plans.

For more details on these and other tax benefits related to Hurricane Katrina, see Pub. 492.

Domestic production activities deduction. You may be able to deduct up to 3% of your qualified production activities income from certain business activities. See the instructions for line 35 on page 55.

IRA deduction expanded. You and your spouse, if filing jointly, may each be able to deduct up to \$3,000 if age 50 or older at the end of 2006. You may be able to take an IRA deduction if you were covered by a retirement plan and your 2006 modified AGI is less than \$83,000 if married filing jointly or qualifying widow(er).

Residential energy credit—New. You may be able to take a residential energy credit for expenses paid in 2006 to have qualified energy saving items installed in your main home.

Alternative motor vehicles. You may be able to take a credit if you place an energy efficient motor vehicle or alternative fuel vehicle refueling property in service in 2006. You can no longer take a deduction for clean-fuel vehicles or refueling property.

Clean renewable energy bond credit—New. You may be able to take a credit based on the face amount of any clean renewable energy bond you hold during 2006. The amount of any credit before tax liability limits must be included as interest income.

Certain credits no longer allowed against alternative minimum tax (AMT). The credit for child and dependent care expenses, credit for the elderly or the disabled, education credits, mortgage interest credit, and carryforwards of the District of Columbia first-time homebuyer credit are no longer allowed against AMT and a new tax liability limit applies. For most people, this limit is your regular tax minus any tentative minimum tax.

AMT exemption amount decreased. The AMT exemption amount will decrease to \$33,750 (\$45,000 if married filing jointly or a qualifying widow(er), \$22,500 if married filing separately).

Educator expense deduction expires. The deduction from AGI for educator expenses will expire. To deduct educator expenses, you must itemize your deductions.

Tuition and fees deduction expires. You cannot take a deduction for qualified tuition and fees paid in 2006. But you still may be able to take a credit for these expenses.

District of Columbia first-time homebuyer credit expires. This credit will not apply to homes purchased after December 31, 2005.

TIP For details on these and other changes for 2005 and 2006, see Pub. 553. Pending legislation may eliminate one or more of the last five changes listed under What's New for 2006.

What's New for 2005

Qualifying child—New definition. A new definition of a qualifying child applies for each of the following tax benefits:

- Dependency exemption (line 6c)
- Child tax credits (lines 52 and 58) (line 4)
- Head of household filing status (line 4)
- Credit for child and dependent care expenses (line 48)
- Earned income credit (EIC) (lines 66a and 66b)

See the instructions for each of these benefits for details.

Foster child—New rules. New rules apply to determine who is a foster child and when a foster child can be used to claim certain tax benefits. To claim a foster child as a qualifying child for any of the tax benefits listed above, the child must be placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. A foster child no longer qualifies you to use qualifying widow(er) filing status.

Dependents cannot claim exemptions for dependents. If you can be claimed as a dependent on someone else's return, you cannot claim any exemptions for dependents.

Hurricane Katrina Tax Relief

TIP At the time these instructions went to print, Congress was considering legislation that would provide additional tax relief for individuals affected by Hurricanes Katrina, Rita, and Wilma. For more details, and to find out if this legislation was enacted, see Pub. 492.

Emergency tax relief was enacted as a result of Hurricane Katrina. The tax benefits provided by this relief include the following:

- Suspended limits for certain personal casualty losses and cash contributions.
- An additional exemption amount if you provided housing for a person displaced by Hurricane Katrina.
- Election to use your 2004 earned income to figure your 2005 EIC and additional child tax credit.
- Increased charitable standard mileage rate for using your vehicle for volunteer work related to Hurricane Katrina.

Filing Requirements

Do You Have To File?

Use Chart A, B, or C to see if you must file a return. U.S. citizens who lived in or had income from a U.S. possession should see Pub. 570. Residents of Puerto Rico can use TeleFax topic 901 (see page 8) to see if they must file.



Even if you do not otherwise have to file a return, you should file one to get a refund of any federal income tax withheld.

You should also file if you are eligible for the earned income credit, the additional child tax credit, or the health coverage tax credit.

Exception for children under age 14. If you are planning to file a tax return for your child who was under age 14 at the end of 2005 and certain other conditions apply, you can elect to include your child's income on your return. But you must use Form 8814 to do so. If you make this election, your child does not have to file a return. For details, see TeleFax topic 553 (see page 8) or see Form 8814.

A child born on January 1, 1992, is considered to be age 14 at the end of 2005. Do not use Form 8814 for such a child.

Resident aliens. These rules also apply if you were a resident alien. Also, you may qualify for certain tax treaty benefits. See Pub. 519 for details.

These rules apply to all U.S. citizens, regardless of where they live, and resident aliens. Have you tried IRS e-file? It's the fastest way to get your refund and it's free if you are eligible. Visit www.irs.gov for details.



What if You Cannot File on Time?

You can get an automatic 6-month extension if, no later than April 17, 2006, you file Form 4868. For details, see Form 4868.



An automatic 6-month extension to file does not extend the time to pay your tax. See Form 4868.

If you are a U.S. citizen or resident, you may qualify for an automatic extension of time to file without filing Form 4868. You qualify if, on the due date of your return, you meet one of the following conditions:

- You live outside the United States and Puerto Rico and your main place of business or post of duty is outside the United States and Puerto Rico.
- You are in military or naval service on duty outside the United States and Puerto Rico.

This extension gives you an extra 2 months to file and pay the tax, but interest will be charged from the original due date of the return on any unpaid tax. You must attach a statement to your return showing that you meet the requirements. If you are still unable to file your return by the end of the 2-month period, you can get an additional 4 months if, no later than June 15, 2006, you file Form 4868. This 4-month extension of time to file does not extend the time to pay your tax. See Form 4868.

When and Where Should You File?

Not later than April 17, 2006. If you file after this date, you may have to pay interest and penalties. See page 64.

See the back cover for filing instructions and addresses. For details on using a private delivery service, see page 15.

Chart A—For Most People

IF your filing status is . . .	AND at the end of 2005 you were* . . .	THEN file a return if your gross income** was at least . . .
Single	under 65 65 or older	\$8,200 9,450
Married filing jointly***	under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses)	\$16,400 17,400 18,400
Married filing separately (see page 17)	any age	\$3,200
Head of household (see page 17)	under 65 65 or older	\$10,300 11,750
Qualifying widow(er) with dependent child (see page 17)	under 65 65 or older	\$13,200 14,200

* If you were born on January 1, 1941, you are considered to be age 65 at the end of 2005.

** Gross income means all income you received in the form of money, goods, property, and services that is not exempt from tax, including any income from sources outside the United States (even if you can exclude part or all of it). Do not include social security benefits unless you are married filing a separate return and you lived with your spouse at any time in 2005.

*** If you did not live with your spouse at the end of 2005 (or on the date your spouse died) and your gross income was at least \$3,200, you must file a return regardless of your age.

Chart B—For Children and Other Dependents (See the instructions for line 6c that begin on page 19 to find out if someone can claim you as a dependent.)

If your parent (or someone else) can claim you as a dependent, use this chart to see if you must file a return. In this chart, **unearned income** includes taxable interest, ordinary dividends, and capital gain distributions; wages, tips, and taxable scholarship and fellowship grants. **Gross income** is the total of your unearned and earned income.

Single dependents. Were you either age 65 or older or blind?

No. You must file a return if **any** of the following apply:

- Your unearned income was over \$800
- Your earned income was over \$5,000
- Your gross income was more than the **larger of**:
 - \$800, or
 - Your earned income, up to \$4,750 plus \$250

Yes. You must file a return if **any** of the following apply:

- Your unearned income was over \$2,050 (\$3,500 if 65 or older and blind)
- Your earned income was over \$6,250 (\$7,500 if 65 or older and blind)
- Your gross income was more than

The larger of:

• \$800, or	Plus	This amount:
• Your earned income (up to \$4,750) plus \$250		\$12,500 (\$2,500 if 65 or older and blind)

Married dependents. Were you either age 65 or older or blind?

No. You must file a return if **any** of the following apply:

- Your unearned income was over \$800
- Your earned income was over \$5,000
- Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions
- Your gross income was more than the **larger of**:
 - \$800, or
 - Your earned income (up to \$4,750) plus \$250

Yes. You must file a return if **any** of the following apply:

- Your unearned income was over \$4,800 (\$2,800 if 65 or older and blind)
- Your earned income was over \$6,000 (\$7,000 if 65 or older and blind)
- Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions
- Your gross income was more than

The larger of:

• \$800, or	Plus	This amount:
• Your earned income (up to \$4,750) plus \$250		\$10,000 (\$2,000 if 65 or older and blind)

Chart C—Other Situations When You Must File

You must file a return if any of the four conditions below apply for 2005:

- You owe any special taxes, including any of the following:
 - Alternative minimum tax
 - Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file **Form 5329** by itself.
 - Household employment taxes. But if you are filing a return only because you owe this tax, you can file **Schedule H** by itself.
 - Social security and Medicare tax on tips you did not report to your employer
 - Write-in taxes, including uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance and additional tax on health savings account distributions. See the instructions for line 63 on page 14.
 - Recapture taxes. See the instructions for line 44, on page 37, and line 63, on page 44.
- You received any advance earned income credit (EIC) payments from your employer. These payments are shown in Form W-2, box 9.
- You had net earnings from self-employment of at least \$100.
- You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.

Where To Report Certain Items From 2005 Forms W-2, 1098, and 1099



IRS e-file takes the guesswork out of preparing your return. You may also be eligible to use free online commercial tax preparation software to file your federal income tax return. Visit www.irs.gov for details.

If any federal income tax withheld is shown on these forms, include the tax withheld on Form 1040, line 64. If you itemize your deductions and any state or local income tax withheld is shown on these forms, include the tax withheld on Schedule A, line 5, if you do not elect to deduct state and local general sales taxes.

Form	Item and Box in Which It Should Appear	Where To Report If Filing Form 1040
W-2	Wages, tips, other compensation (box 1) Allocated tips (box 8) Advance EIC payment (box 9) Dependent care benefits (box 10) Adoption benefits (box 12, code T) Employer contributions to an Archer MSA (box 12, code R) Employer contributions to a health savings account (box 12, code W)	Form 1040, line 7 See <i>Tip income</i> on page 22 Form 1040, line 64 Form 2441, line 12 Form 8839, line 22 Form 8853, line 3 Form 8889, line 9
W-2G	Gambling winnings (box 1)	Form 1040, line 21 (Schedule C or C-EZ for professional gamblers)
1098	Mortgage interest (box 1) Points (box 2) Refund of overpaid interest (box 3)	Schedule A, line 10* Form 1040, line 21, but first see the instructions on Form 1098*
1098-C	Contributions of motor vehicles, boats, and airplanes	Schedule A, line 1b
1098-E	Student loan interest (box 1)	See the instructions for Form 1040, line 33, on page 33*
1098-T	Qualified tuition and related expenses (box 1)	See the instructions for Form 1040, line 34, on page 34, or line 50, on page 40, but first see the instructions on Form 1098-T*
1099-A	Acquisition or abandonment of secured property	See Pub 544
1099-B	Stocks, bonds, etc. (box 2) Bartners (box 3) Aggregate profit or (loss) (box 11)	See the instructions on Form 1099-B See Pub 525 Form 981, line 1
1099-C	Canceled debt (box 2)	Form 1040, line 21, but first see the instructions on Form 1099-C*
1099-DIV	Total ordinary dividends (box 1a) Qualified dividends (box 1b) Total capital gain distributions (box 2a) Unrecaptured section 1250 gain (box 2b) Section 1202 gain (box 2c) Collectibles (28%) gain (box 2d) Nondeductible distributions (box 3) Investment expenses (box 5) Foreign tax paid (box 6)	Form 1040, line 9a See the instructions for Form 1040, line 9b, on page 23 Form 1040, line 13, or, if required, Schedule D, line 13 See the instructions for Schedule D, line 19, that begin on page D-7 See <i>Exclusion of Gain on Qualified Small Business (QSBI) Stock</i> in the instructions for Schedule D on page D-4 See the instructions for Schedule D, line 18, on page D-7 See the instructions for Form 1040, line 9a, on page 23 Schedule A, line 22 Form 1040, line 47, or Schedule A, line 8
1099-G	Unemployment compensation (box 1) State or local income tax refunds, credits, or offsets (box 2) ATAA payments (box 5) Taxable grants (box 6) Agriculture payments (box 7)	Form 1040, line 19. But if you repaid any unemployment compensation in 2005, see the instructions for line 19 on page 2. See the instructions for Form 1040, line 10, that begin on page 23* Form 1040, line 21 Form 1040, line 21* See the instructions for Schedule F or Pub 225*
1099-H	HRTC advance payments (box 1)	Form 9885, lines 2 and 6

* If the item relates to an activity for which you are required to file Schedule C, C-EZ, E, or F on Form 9885, report the taxable or deductible amount allocable to the activity on that schedule or form instead.

Form 1040—Line 1

Line Instructions for Form 1040

IRS e-file takes the guesswork out of preparing your return. You may also be eligible to use free online commercial tax preparation software to file your federal income tax return. Visit www.irs.gov/efile for details.

Form	Item and Box in Which It Should Appear	When to Report if Filing Form 1040
1099-DIV	Interest income (box 1) Early withdrawal penalty (box 2) Interest on U.S. savings bonds and Treasury obligations (box 3) Investment expenses (box 5) Foreign tax paid (box 6)	See the instructions for Form 1040, line 8a, on page 22 Form 1040, line 30 See the instructions for Form 1040, line 8a, on page 22 Schedule A, line 22 Form 1040, line 47, or Schedule A, line 8
1099-LTC	Long-term care and accelerated death benefits	See Pub. 502 and the instructions for Form 8853.
1099-MISC	Rents (box 1) Royalties (box 2) Other income (box 3) Nonemployee compensation (box 7) Excess golden parachute payments (box 13) Other (boxes 5, 6, 8, 9, 10, 14, and 15b)	See the instructions for Schedule E* Schedule E, line 4 (for timber, coal, and iron ore royalties, see Pub. 544)* Form 1040, line 21* Schedule C, C-EZ, or F. But if you were not self-employed, see the instructions for Form 1099-MISC See the instructions for Form 1040, line 63, on page 44 See the instructions for Form 1099-MISC
1099-OID	Original issue discount (box 1) Other periodic interest (box 2) Early withdrawal penalty (box 3) Original issue discount on U.S. Treasury obligations (box 6) Investment expenses (box 7)	See the instructions for Form 1099-OID Form 1040, line 30 See the instructions for Form 1099-OID Schedule A, line 22
1099-PATR	Patronage dividends and other distributions from a cooperative (boxes 1, 2, 3, and 5) Domestic production activities deduction (box 6) Credits (boxes 7, 8, and 10) Patron's AMT adjustment (box 9) Deduction for small refiner capital costs (box 10)	Schedule C, C-EZ, or Form 4835, but first see the instructions on Form 1099-PATR Form 8903, line 17 Form 3468, 5834, 5883-A, 6478, 8844, 8845, 8861, or 8896 Form 6251, line 26 Schedule C, C-EZ, or F
1099-Q	Qualified education program payments	See the instructions for Form 1040, line 21, on page 29
1099-R	Distributions from IRAs** Distributions from pensions, annuities, etc. Capital gain (box 3)	See the instructions for Form 1040, lines 15a and 15b, on page 25 See the instructions for Form 1040, lines 16a and 16b, that begin on page 25 See the instructions for Form 1099-R
1099-S	Gross proceeds from real estate transactions (box 2)	Form 4797, Form 6252, or Schedule D. But if the property was your home, see the instructions for Schedule D to find out if you must report the sale or exchange.
1099-SA	Buyer's part of real estate tax (box 5) Distributions from health savings accounts (HSAs) Distributions from MSAs***	See the instructions for Schedule A, line 6, on page A-5* Form 8889, line 12a Form 8853

* If the item relates to an activity for which you are required to file Schedule C, C-EZ, E, or F on Form 4835, report the taxable or deductible amount allocable to the activity on that schedule or form instead.
** This includes distributions from IRAs, SEP, and SIMPLE IRAs.
*** This includes distributions from Archer and Medicare Advantage MSAs.

Private Delivery Services

You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL), DHL Same Day Service, DHL Next Day 10:30 am, DHL Next Day 12:00 pm, DHL Next Day 3:00 pm, and DHL 2nd Day Service

CAUTION

The private delivery service can tell you how to get written proof of the mailing date.

Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Federal Express (FedEx) FedEx Priority, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express



If you filed a joint return for 2004 and you are filing a joint return for 2005 with the same spouse, be sure to enter your names and SSNs in the same order as on your 2004 return.

P.O. Box

Enter your box number only if your post office does not deliver mail to your home.

Need more information or forms? See page 7.

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Foreign Address

Enter the information in the following order: City, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

Death of a Taxpayer

See page 63.

Social Security Number (SSN)

An incorrect or missing SSN can increase your tax or reduce your refund. To apply for an SSN, fill in Form SS-5 and return it, along with the appropriate evidence documents, to the Social Security Administration (SSA). You can get Form SS-5 online at www.socialsecurity.gov, from your local SSA office, or by calling the SSA at 1-800-772-1213. It usually takes about 2 weeks to get an SSN.

Check that your SSN on your Forms W-2 and 1099 agrees with your social security card. If not, see page 63 for more details.

IRS Individual Taxpayer Identification Numbers (ITINs) for Aliens

If you are a nonresident or resident alien and you do not have and are not eligible to get an SSN, you must apply for an ITIN. For details on how to do so, see Form W-7 and its instructions. It usually takes about 4-6 weeks to get an ITIN.

If you already have an ITIN, enter it wherever your SSN is requested on your tax return.

Note: An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.

Nonresident Alien Spouse

If your spouse is a nonresident alien and you file a joint or separate return, your spouse must have either an SSN or an ITIN.

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Presidential Election Campaign Fund

This fund helps pay for Presidential election campaigns. The fund reduces candidates' dependence on large contributions from individuals and groups and places candidates on an equal financial footing in the general election. If you want \$3 to go to this fund, check the box. If you are filing a joint return, your spouse can also have \$3 go to the fund. If you check a box, your tax or refund will not change.

Filing Status

Check only the filing status that applies to you. The ones that will usually give you the lowest tax are listed last.

- Married filing separately
- Single
- Head of household
- Married filing jointly or qualifying widow(er) with dependent child



More than one filing status can apply to you. Choose the one that will give you the lowest tax.

Line 1

Single

You can check the box on line 1 if any of the following was true on December 31, 2005:

- You were never married
- You were legally separated, according to your state law, under a decree of divorce or separate maintenance
- You were widowed before January 1, 2005, and did not remarry in 2005. But if you have a dependent child, you may be able to use the qualifying widow(er) filing status. See the instructions for line 5 that begin on page 17.

Form 1040—Lines 5 Through 6b

- You have a child or stepchild whom you claim as a dependent. This does not include a foster child.
- This child lived in your home for all of 2005. If the child did not live with you for the required time, see **Exception to time lived with you below**.
- You paid over half the cost of keeping up your home.

If you used payments you received under Temporary Assistance for Needy Families (TANF) or other public assistance programs to pay part of the cost of keeping up your home, you cannot count them as money you paid. However, you must include them in the total cost of keeping up your home to figure if you paid over half of the cost.

Adopted child. An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

Dependent. To find out if someone is your dependent, see the instructions for line 6c that begin on page 19.

Exception to time lived with you. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, and detention in a juvenile facility, count as time lived in the home. A

Exemptions

You usually can deduct \$3,200 on line 42 for each exemption you can take. You may also be able to take an additional exemption amount on line 42 if you provided housing to a person displaced by Hurricane Katrina.

Line 6b

Spouse

Check the box on line 6b if either of the following applies:

- 1 Your filing status is married filing jointly and your spouse cannot be claimed as a dependent on another person's return.
- 2 You were married at the end of 2005, your filing status is married filing separately or head of household, and both of the following apply:
 - a Your spouse had no income and is not filing a return.
 - b Your spouse cannot be claimed as a dependent on another person's return.

If your filing status is head of household and you check the box on line 6b, enter the name of your spouse on the dotted line next to line 6b. Also, enter your spouse's social security number in the space provided at the top of your return.

child is considered to have lived with you for all of 2005 if the child was born or died in 2005 and your home was the child's home for the entire time he or she was alive. Also see **Kidnapped child** on page 21, if applicable.

Keeping up a home. To find out what is included in the cost of keeping up a home, see Pub. 501.

If you used payments you received under Temporary Assistance for Needy Families (TANF) or other public assistance programs to pay part of the cost of keeping up your home, you cannot count them as money you paid. However, you must include them in the total cost of keeping up your home to figure if you paid over half of the cost.

Adopted child. An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

Dependent. To find out if someone is your dependent, see the instructions for line 6c that begin on page 19.

Exception to time lived with you. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, and detention in a juvenile facility, count as time lived in the home. A

You usually can deduct \$3,200 on line 42 for each exemption you can take. You may also be able to take an additional exemption amount on line 42 if you provided housing to a person displaced by Hurricane Katrina.

Form 1040—Lines 2 Through 5

the person for whom you kept up a home was born or died in 2005, you can still file as head of household as long as the home was that person's main home for the part of the year he or she was alive. Also see **Kidnapped child** on page 21, if applicable.

Keeping up a home. To find out what is included in the cost of keeping up a home, see Pub. 501.

If you used payments you received under Temporary Assistance for Needy Families (TANF) or other public assistance programs to pay part of the cost of keeping up your home, you cannot count them as money you paid. However, you must include them in the total cost of keeping up your home to figure if you paid over half of the cost.

Married persons who live apart. Even if you were not divorced or legally separated at the end of 2005, you are considered unmarried if all of the following apply:

- You lived apart from your spouse for the last 6 months of 2005. Temporary absences for special circumstances, such as for business, medical care, school, or military service, count as time lived in the home.
- You file a separate return from your spouse.
- You paid over half the cost of keeping up your home for 2005.
- Your home was the main home of your child, stepchild, or foster child for more than half of 2005 (if half or less, see **Exception to time lived with you** on this page).
- You claim this child as your dependent or the child's other parent claims him or her under the rules for **Children of divorced or separated parents** on page 20.

Adopted child. An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

Foster child. A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Line 5

Qualifying Widow(er) With Dependent Child

Special rules may apply for people who had to relocate because of Hurricane Katrina. For details, see Pub. 4492.

You can check the box on line 5 and use joint return tax rates for 2005 if all of the following apply:

- Your spouse died in 2003 or 2004 and you did not remarry in 2005.

Need more information or forms? See page 7.

Line 4

Head of Household

Special rules may apply for people who had to relocate because of Hurricane Katrina. For details, see Pub. 4492.



This filing status is for unmarried individuals who provide a home for certain other persons (Some married persons who live apart are considered unmarried. See **Married persons who live apart** on this page.) You can check the box on line 4 only if you were unmarried or legally separated (according to your state law) under a decree of divorce or separate maintenance at the end of 2005 and either 1 or 2 below applies:

- 1 You paid over half the cost of keeping up a home that was the main home for all of 2005 of your parent whom you can claim as a dependent, except under a multiple support agreement (see page 21). Your parent did not have to live with you.
- 2 You paid over half the cost of keeping up a home in which you lived and in which one of the following also lived for more than half of the year (if half or less, see **Exception to time lived with you** below):
 - a Any person whom you can claim as a dependent. But do not include:
 - 1 Your qualifying child (as defined in Step 1 on page 19) whom you claim as your dependent based on the rules for **Children of divorced or separated parents** on page 20.
 - 2 Any person who is your dependent only because he or she lived with you for all of 2005, or
 - 3 Any person you claimed as a dependent under a multiple support agreement. See page 21.
 - b Your unmarried qualifying child who is not your dependent.
 - c Your married qualifying child who is not your dependent only because you can be claimed as a dependent on someone else's 2005 return.
 - d Your child who is neither your dependent nor your qualifying child because of the rules for **Children of divorced or separated parents** on page 20.

If the child is not your dependent, enter the child's name on line 4. If you do not enter the name, it will take us longer to process your return.

Dependent. To find out if someone is your dependent, see the instructions for line 6c that begin on page 19.

Exception to time lived with you. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, and detention in a juvenile facility, count as time lived in the home. If

You may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 2005. See **Married persons who live apart on this page**.

Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people in community property states. See page 22.

You may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 2005. See **Married persons who live apart on this page**.

Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people in community property states. See page 22.

You may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 2005. See **Married persons who live apart on this page**.

Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people in community property states. See page 22.

You may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 2005. See **Married persons who live apart on this page**.

Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people in community property states. See page 22.

You may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 2005. See **Married persons who live apart on this page**.

Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people in community property states. See page 22.

You may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 2005. See **Married persons who live apart on this page**.

Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people in community property states. See page 22.

You may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 2005. See **Married persons who live apart on this page**.

Line 2

Married Filing Jointly

You can check the box on line 2 if any of the following apply:

- You were married at the end of 2005, even if you did not live with your spouse at the end of 2005.
- Your spouse died in 2005 and you did not remarry in 2005.
- You were married at the end of 2005, and your spouse died in 2006 before filing a 2005 return.

For federal tax purposes, a marriage means only a legal union between a man and a woman as husband and wife. A husband and wife can file a joint return even if only one had income or if they did not live together all year. However, both persons must sign the return. Once you file a joint return, you cannot choose to file separate returns for that year after the due date of the return.

Joint and several tax liability. If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. This means that if one spouse does not pay the tax due, the other may have to. However, see **Unmarried Spouse Relief** on page 62.

Nonresident aliens and dual-status aliens. Generally, a husband and wife cannot file a joint return if either spouse is a nonresident alien at any time during the year. However, if you were a nonresident alien or a dual-status alien and were married to a U.S. citizen or resident alien at the end of 2005, you may elect to be treated as a resident alien and file a joint return. See Pub. 519 for details.

Line 3

Married Filing Separately

If you are married and file a separate return, you will usually pay more tax than if you use another filing status that you qualify for. Also, if you file a separate return, you cannot take the student loan interest deduction, the tuition and fees deduction, the education credits, or the earned income credit. You also cannot take the standard deduction if your spouse itemizes deductions.

Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people in community property states. See page 22.



You may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 2005. See **Married persons who live apart on this page**.

Need more information or forms? See page 7.

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Line 6c—Dependents

Dependents and Qualifying Child for Child Tax Credit

Follow the steps below to find out if a person qualifies as your dependent, qualifies you to take the child tax credit, or both. If you have more than four dependents, attach a statement to your return with the required information.



Special rules may apply for people who had to relocate because of Hurricane Katrina. For details, see Pub 4402.

Step 1 Do You Have a Qualifying Child?

A qualifying child is a child who is your...

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)



was...

Under age 19 at the end of 2005

or

Under age 24 at the end of 2005 and a student (see page 21)

or

Any age and permanently and totally disabled (see page 21)



who...

Did not provide over half of his or her own support for 2005 (see Pub 501)



who...

Lived with you for more than half of 2005. If the child did not live with you for the required time, see *Exception to time lived with you* on page 21.



If the child meets the conditions to be a qualifying child of any other person (other than your spouse if filing jointly) for 2005, see *Qualifying child of more than one person* on page 21.

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Need more information or forms? See page 7.

Form 1040—Line 6c

Step 4 Is Your Qualifying Relative Your Dependent?

1 Does any person meet the conditions to be your qualifying relative?

☐ Yes. Continue. ☐ No. **Go to Form 1040, line 7.**

2 Was your qualifying relative a U.S. citizen, U.S. national, or a resident of the United States, Canada, or Mexico? If your qualifying relative was adopted, see *Exception to the citizen test* on page 21.

☐ Yes. Continue. ☐ No. **Go to Form 1040, line 7.**

3 Was your qualifying relative married?

☐ Yes. See *Married person* on page 21. ☐ No. Continue. **Go to Form 1040, line 7.**

4 Could you, or your spouse if filing jointly, be claimed as a dependent on someone else's 2005 tax return? See Steps 1, 2, and 4.

☐ Yes. **Go to Form 1040, line 7.** You cannot claim any dependents. Go to Form 1040, line 7. ☐ No. You can claim this person as a dependent. Complete Form 1040, line 6c, column (1) through (3). Do not check the box on Form 1040, line 6c, column (4).

Definitions and Special Rules

Adopted child. An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

Adoption taxpayer identification numbers (ATINs). If you have a dependent who was placed with you for legal adoption and you do not know his or her SSN, you must get an ATIN for the dependent from the IRS. See Form W-7A for details.

Children of divorced or separated parents. A child will be treated as being the qualifying child or qualifying relative of his or her noncustodial parent (the parent with whom the child lived for the lesser part of 2005) if all of the following apply:

- 1 The parents are divorced, legally separated, separated under a written separation agreement, or lived apart at all times during the last 6 months of 2005.
- 2 The child received over half of his or her support for 2005 from the parents (without regard to the rules on *Multiple support agreements* on page 21).
- 3 The child is in custody of one or both of the parents for more than half of 2005.
- 4 Either of the following applies:
 - a The custodial parent signs Form 8332 or a substantially similar statement that he or she will not claim the child as a dependent for 2005.
 - b A decree of divorce or separate maintenance or written separation agreement between the parents that applies to 2005 provides that the noncustodial parent can claim the child as a dependent. If your decree or agreement went into effect before 1985, the noncustodial parent must provide at least \$600 for support of the child during 2005.

If the rules above apply and this child would otherwise be the qualifying child of more than one person:

- Only the noncustodial parent can claim the child for purposes of the dependency exemption (line 6c) and the child tax credits (lines 52 and 68).

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Need more information or forms? See page 7.

Form 1040—Line 6c

1 Do you have a child who meets the conditions to be your qualifying child?

☐ Yes. Go to Step 2. ☐ No. **Go to Step 4 on page 20.**

Step 2 Is Your Qualifying Child Your Dependent?

1 Was the child a U.S. citizen, U.S. national, or a resident of the United States, Canada, or Mexico? If the child was adopted, see *Exception to citizen test* on page 21.

☐ Yes. Continue. ☐ No. **Go to Form 1040, line 7.**

2 Was the child married?

☐ Yes. See *Married person* on page 21. ☐ No. Continue. **Go to Form 1040, line 7.**

3 Could you, or your spouse if filing jointly, be claimed as a dependent on someone else's 2005 tax return? See Steps 1, 2, and 4.

☐ Yes. You cannot claim any dependents. Go to Step 3. ☐ No. You can claim this child as a dependent. Complete Form 1040, line 6c, column (1) through (3) for this child. Then, go to Step 3.

Step 3 Does Your Qualifying Child Qualify You for the Child Tax Credit?

1 Was the child under age 17 at the end of 2005?

☐ Yes. Continue. ☐ No. **Go to Form 1040, line 7.**

2 Was the child a U.S. citizen, U.S. national, or a resident of the United States? If the child was adopted, see *Exception to citizen test* on page 21.

☐ Yes. This child is a qualifying child for the child tax credit. If this child is your dependent, check the box on Form 1040, line 6c, column (4). Otherwise, you must complete and attach Form 8901.

☐ No. **Go to Form 1040, line 7.**



who...

Lived with you for more than half of 2005. If the child did not live with you for the required time, see *Exception to time lived with you* on page 21.



If the child meets the conditions to be a qualifying child of any other person (other than your spouse if filing jointly) for 2005, see *Qualifying child of more than one person* on page 21.

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Need more information or forms? See page 7.

Income

Foreign-Source Income

You must report unearned income, such as interest, dividends, and pensions, from sources outside the United States unless exempt by law or a tax treaty. You must also report earned income, such as wages and tips, from sources outside the United States.

If you worked abroad, you may be able to exclude part or all of your earned income. For details, see Pub. 54 and Form 2555 or 2555-EZ.

Foreign retirement plans. If you were a beneficiary of a foreign retirement plan, you may have to report the undistributed income earned in your plan. However, if you were the beneficiary of a Canadian registered retirement plan, see Form 8891 to find out if you can elect to defer tax on the undistributed income.

Report distributions from foreign pension plans on lines 16a and 16b.

Community Property States

Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. If you and your spouse lived in a community property state, you must usually follow state law to determine what is community income and what is separate income. For details, see Pub. 555.

Rounding Off to Whole Dollars

You can round off cents to whole dollars on your return and schedules. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

If you have to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Line 7

Wages, Salaries, Tips, etc.

Enter the total of your wages, salaries, tips, etc. If a joint return, also include your spouse's income. For most people, the amount to enter on this line should be shown in Form(s) W-2, box 1. But the following types of income must also be included in the total on line 7:

- Wages received as a household employee for which you did not receive a Form W-2 because your employer paid you less than \$1,400 in 2005. Also, enter

Need more information or forms? See page 7.

- "HSH" and the amount not reported on Form W-2 on the dotted line next to line 7.
- Tip income you did not report to your employer. Also include allocated tips shown on your Form(s) W-2 unless you can prove that you received less. Allocated tips should be shown in Form(s) W-2, box 8. They are not included as income in box 1. See Pub. 531 for more details.



You may owe social security and Medicare tax on unreported or allocated tips. See the instructions for line 59 on page 43.

- Dependent care benefits, which should be shown in Form(s) W-2, box 10. But first complete Form 2441 to see if you can exclude part or all of the benefits.
- Employer-provided adoption benefits, which should be shown in Form(s) W-2, box 12, with code T. But see the Instructions for Form 8839 to find out if you can exclude part or all of the benefits. You may also be able to exclude amounts if you adopted a child with special needs and the adoption became final in 2005.
- Scholarship and fellowship grants not reported on Form W-2. Also, enter "SCH" and the amount on the dotted line next to line 7. However, if you were a degree candidate, include on line 7 only the amounts you used for expenses other than tuition and course-related expenses. For example, amounts used for room, board, and travel must be reported on line 7.

- Excess salary deferrals. The amount deferred should be shown in Form W-2, box 12, and the "Retirement plan" box in box 13 should be checked if the total amount you (or your spouse if filing jointly) deferred for 2005 under all plans was more than \$14,000 (excluding catch-up contributions as explained below), include the excess on line 7. This limit is (a) \$10,000 if you only have SIMPLE plans, or (b) \$17,000 for section 403(b) plans if you qualify for the 15-year rule in Pub. 571.

A higher limit may apply to participants in section 457(b) deferred compensation plans for the 3 years before retirement age. Contact your plan administrator for more information.

If you were age 50 or older at the end of 2005, your employer may have allowed an additional deferral (catch-up contributions) of up to \$4,000 (\$2,000 for SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals.



You cannot deduct the amount deferred. It is not included as income in Form W-2, box 1.

- Disability pensions shown on Form 1099-R if you have not reached the minimum retirement age set by your employer. Disability pensions received after you reach that age and other payments shown on Form 1099-R (other than payments from an IRA*) are reported on lines 16a and 16b. Payments from an IRA are reported on lines 15a and 15b.
- Corrective distributions from a retirement plan shown on Form 1099-R of excess salary deferrals and excess contributions (plus earnings). But do not include distributions from an IRA* on line 7. Instead, report distributions from an IRA on lines 15a and 15b.

*This includes a Roth, SEP, or SIMPLE IRA.

Were You a Statutory Employee?

If you were the "Statutory employee" box in Form W-2, box 13, should be checked. Statutory employees include full-time life insurance salespeople, certain agent or commission drivers and traveling salespeople, and certain homeworkers. If you have related business expenses to deduct, report the amount shown in Form W-2, box 1, on Schedule C or C-EZ along with your expenses.

Missing or Incorrect Form W-2?

Your employer is required to provide or send Form W-2 to you no later than January 31, 2006. If you do not receive it by early February, use TeleTax topic 154 (see page 8) to find out what to do. Even if you do not get a Form W-2, you must still report your earnings on line 7. If you lose your Form W-2 or it is incorrect, ask your employer for a new one.

Line 8a

Taxable Interest

Each payer should send you a Form 1099-INT or Form 1099-OID. Enter your total taxable interest income on line 8a. But you must fill in and attach Schedule B if the total is over \$1,500 or any of the other conditions listed at the beginning of the Schedule B instructions (see page B-1) apply to you.

Interest credited in 2005 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 2005 income. For details, see Pub. 550.



If you get a 2005 Form 1099-INT for U.S. savings bond interest that includes amounts you reported before 2005, see Pub. 550.

Qualifying child of more than one person. If the child is the qualifying child of more than one person, only one person can claim the child as a qualifying child for all of the following tax benefits, unless the rules for *Children of divorced or separated parents* on page 20 apply.

1. Dependency exemption (line 6c)
2. Child tax credits (lines 52 and 68)
3. Head of household filing status (line 4)
4. Credit for child and dependent care expenses (line 48)
5. Earned income credit (lines 66a and 66b)

No other person can take any of the five tax benefits listed above unless he or she has a different qualifying child. If you and any other person claim the child as a qualifying child, the IRS will apply the following rules:

- If only one of the persons is the child's parent, the child will be treated as the qualifying child of the parent.
- If two of the persons are the child's parents, the child will be treated as the qualifying child of the parent with whom the child lived for the longer period of time in 2005. If the child lived with each parent for the same amount of time, the child will be treated as the qualifying child of the parent who had the higher adjusted gross income (AGI) for 2005.
- If none of the persons is the child's parent, the child will be treated as the qualifying child of the person who had the highest AGI for 2005.

Example. Your daughter meets the conditions to be a qualifying child for both you and your mother. If you and your mother both claim tax benefits based on the child, the rules above apply. Under these rules, you are entitled to treat your daughter as a qualifying child for any of the five tax benefits listed above for which you otherwise qualify. Your mother would not be entitled to take any of the five tax benefits listed above unless she has a different qualifying child.

If you will be claiming the child as a qualifying child, go to Step 2 on page 19. Otherwise, stop; you cannot claim any benefits based on this child. Go to Form 1040, line 7.

Social security number. You must enter each dependent's social security number (SSN). Be sure the name and SSN entered agree with the dependent's social security card. Otherwise, at the time we process your return, we may disallow the exemption claimed for the dependent and reduce or disallow any other tax benefits (such as the child tax credit) based on that dependent. If the name or SSN on the dependent's social security card is not correct, call the Social Security Administration at 1-800-772-1213. For details on how you can get an SSN, see page 16. If your dependent will not have a number by April 17, 2006, see *What If Your Child Will Not Have a Number?* on page 12.

If your dependent child was born and died in 2005 and you do not have an SSN for the child, you can attach a copy of the child's birth certificate instead and enter "Died" in column (2).

Student. A child who during any part of 5 calendar months of 2005 was enrolled as a full-time student at a school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or Internet school.

Need more information or forms? See page 7.

- For head of household filing status (line 4), the credit for child and dependent care expenses (line 48), and the earned income credit (EIC) (lines 66a and 66b), only one person can claim these three benefits. No other person can claim any of these three benefits unless he or she has a different qualifying child. If you and any other person claim the child as a qualifying child, the IRS will apply the rules shown under *Qualifying child of more than one person* on this page. If you will not be taking the EIC with a qualifying child because of these rules, put "No" on the dotted line next to line 66a.

See Pub. 501 for more details.

Exception to citizen test. If you are a U.S. citizen or U.S. national and your adopted child lived with you all year as a member of your household, that child meets the citizen test.

Exception to gross income test. If your relative (including a person who lived with you all year as a member of your household) is permanently and totally disabled (defined on this page), certain income for services performed at a sheltered workshop may be excluded for this test. For details, see Pub. 501.

Exception to time lived with you. A person is considered to have lived with you for all of 2005 if the person was born or died in 2005 and your home was this person's home for the entire time he or she was alive. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility, count as time lived with you. Also see *Children of divorced or separated parents* on page 20 or *Child-napped child* below.

Foster child. A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Kidnapped child. If your child is presumed by law enforcement authorities to have been kidnapped by someone who is not a family member, you may be able to take the child into account in determining your eligibility for head of household or qualifying widow(er) filing status, the deduction for dependents, child tax credit, and the earned income credit (EIC). For details, use TeleTax topic 357 (see page 8) or see Pub. 501 (Pub. 596 for the EIC).

Married person. If the person is married, you cannot claim that person as your dependent if he or she files a joint return. But this rule does not apply if the return is filed only as a claim for refund and no tax liability would exist for either spouse if they had filed separate returns. If the person meets this exception, go to Step 2, question 3, on page 19 for a qualifying child or Step 4, question 4, on page 20 for a qualifying relative. If the person does not meet this exception, go to Step 3 on page 19 (for a qualifying child) or Form 1040, line 7 (for a qualifying relative).

Multiple support agreements. If no one person contributed over half of the support of your relative (including a person who lived with you all year as a member of your household) but you and another person(s) provided more than half of your relative's support, special rules may apply that would treat you as having provided over half of the support. For details, see Pub. 501.

Permanently and totally disabled. A person who, at any time in 2005, cannot engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition (a) has lasted or can be expected to last continuously for at least a year, or (b) can be expected to lead to death.

Form 1040—Lines 8b Through 10

Line 8b Tax-Exempt Interest. If you received any tax-exempt interest, such as from municipal bonds, report it on line 8b. Include any exempt-interest dividends from a mutual fund or other regulated investment company. Do not include interest earned on your IRA or Coverdell education savings account.

Line 9a**Ordinary Dividends**

Each payer should send you a Form 1099-DIV. Enter your total ordinary dividends on line 9a. This amount should be shown in Form(s) 1099-DIV, box 1a. But you must fill in and attach Schedule B if the total is over \$1,500 or you received, as a nominee, ordinary dividends that actually belong to someone else.

Nondividend Distributions

Some distributions are a return of your cost (or other basis). They will not be taxed until you recover your cost (or other basis). You must reduce your cost (or other basis) by these distributions. After you get back all of your cost (or other basis), you must report these distributions as capital gains on Schedule D. For details, see Pub. 550.



TIP Dividends on insurance policies are a partial return of the premiums you paid. Do not report them as dividends. Include them in income on line 21 only if they exceed the total of all net premiums you paid for the contract.

Line 9b**Qualified Dividends**

Enter your total qualified dividends on line 9b. Qualified dividends are eligible for a lower tax rate than other ordinary income. Generally, these dividends are shown in Form(s) 1099-DIV, box 1b. See Pub. 550 for the definition of qualified dividends if you received dividends not reported on Form 1099-DIV.

Exception. Some dividends may be reported as qualified dividends in Form 1099-DIV, box 1b, but are not qualified dividends. These include:

- Dividends you received as a nominee. See the Instructions for Schedule B.
- Dividends you received on any share of stock that you held for less than 61 days during the 121-day period that began 60 days before the ex-dividend date. The ex-dividend date is the first date following the declaration of a dividend on which the

shareholder of a stock is not entitled to receive the next dividend payment. When counting the number of days you held the stock, include the day you disposed of the stock but not the day you acquired it. See the examples below. Also, when counting the number of days you held the stock, you cannot count certain days during which your risk of loss was diminished. See Pub. 550 for more details.



TIP Be sure you use the Qualified Dividends and Capital Gain Tax Worksheet or the Schedule D Tax Worksheet, whichever applies, to figure your tax. Your tax may be less if you use the worksheet that applies. See the instructions for line 11 that begin on page 3 for details.

Line 10**Taxable Refunds, Credits, or Offsets of State and Local Income Taxes**

TIP None of your refund is taxable if, in the year you paid the tax, you either (a) did not itemize deductions, or (b) elected to deduct state and local general sales taxes instead of state and local income taxes.

Example 1. You bought 5,000 shares of XYZ Corp. common stock on June 30, 2005. XYZ Corp. paid a cash dividend of 10 cents per share. The ex-dividend date was July 8, 2005. Your Form 1099-DIV from XYZ Corp. shows \$500 in box 1a (ordinary dividends) and in box 1b (qualified dividends). However, you sold the 5,000 shares on August 3, 2005. You held your shares of XYZ Corp. for only 34 days of the 121-day period (from July 1, 2005, through August 3, 2005). The 121-day period began on May 9, 2005 (60 days before the ex-dividend date), and ended on September 6, 2005. You have no qualified dividends from XYZ Corp. because you held the XYZ stock for less than 61 days.

Example 2. Assume the same facts as in Example 1 except that you bought the stock on July 7, 2005 (the day before the ex-dividend date), and you sold the stock on September 8, 2005. You held the stock for 63 days (from July 8, 2005, through September 8, 2005). The \$500 of qualified dividends shown in Form 1099-DIV, box 1b, are all qualified dividends because you held the stock for 61 days of the 121-day period (from July 8, 2005, through September 6, 2005).

Example 3. You bought 10,000 shares of ABC Mutual Fund common stock on June 30, 2005. ABC Mutual Fund paid a cash dividend of 10 cents a share. The ex-dividend date was July 8, 2005. The ABC Mutual Fund advises you that the portion of the dividend eligible to be treated as qualified dividends equals 2 cents per

Form 1040—Lines 10 Through 13

7. You could not deduct the full amount of credits you were entitled to in 2004 because the total credits exceeded the amount shown on your 2004 Form 1040, line 45. 8. You could be claimed as a dependent by someone else in 2004.

Line 12**Business Income or (Loss)**

If you operated a business or practiced your profession as a sole proprietor, report your income and expenses on Schedule C or C-EZ.

Line 13**Capital Gain or (Loss)**

If you had a capital gain or loss, including any capital gain distributions or a capital loss carryover from 2004, you must complete and attach Schedule D.

Line 11**Alimony Received**

Enter amounts received as alimony or separate maintenance. You must let the person

from Form(s) 1099-DIV, box 2a, or substitute statements.

- None of the Form(s) 1099-DIV or substitute statements have an amount in box 2b (unrecaptured section 1250 gain), box 2c (section 1202 gain), or box 2d (collectibles (28% gain)).

If both of the above apply, enter your total capital gain distributions (from box 2a of Form(s) 1099-DIV) on line 13 and check the box on that line. If you received capital gain distributions as a nominee (that is, they were paid to you but actually belong to someone else), report on line 13 only the amount that belongs to you. Attach a statement showing the full amount you received and the amount you received as a nominee. See the instructions for Schedule B for filing requirements for Forms 1099-DIV and 1096.



TIP If you do not have to file Schedule D, use the Qualified Dividends and Capital Gain Tax Worksheet on page 18 to figure your tax. Your tax is usually less if you use this worksheet.



Keep for Your Records

State and Local Income Tax Refund Worksheet—Line 10

Before you begin: Be sure you have read the **Exception** on page 23 to see if you can use this worksheet instead of Pub. 525 to figure if any of your refund is taxable.

1. Enter the income tax refund from Form(s) 1099-G (or similar statement). But do not enter more than the amount of your state and local income taxes shown on your 2004 Schedule A, line 5. 1.
2. Enter your total allowable itemized deductions from your 2004 Schedule A, line 28. 2.

Note. If the filing status on your 2004 Form 1040 was married filing separately and your spouse itemized deductions in 2004, skip lines 3, 4, and 5, and enter the amount from line 2 on line 6.

3. Enter the amount shown below for the filing status claimed on your 2004 Form 1040.
 - Single or married filing separately — \$4,850
 - Married filing jointly or qualifying widow(er) — \$9,700
 - Head of household — \$7,150

4. Did you fill in line 38a on your 2004 Form 1040?
 - ☐ No. Enter -0-
 - ☐ Yes. Multiply the number in the box on line 38a of your 2004 Form 1040 by \$950 (\$1,200 if your 2004 filing status was single or head of household).

5. Add lines 3 and 4. 5.

6. Is the amount on line 5 less than the amount on line 2?
 - ☐ No. ☒ None of your refund is taxable.
 - ☐ Yes. Subtract line 5 from line 2.

7. Taxable part of your refund. Enter the smaller of line 1 or line 6 here and on Form 1040, line 10. 7.

- 23 - Need more information or forms? See page 7.

- 24 - Need more information or forms? See page 7.

Simplified Method

You must use the Simplified Method if either of the following applies:

- 1 Your annuity starting date (defined on page 25) was after July 1, 1986, and you used this method last year to figure the taxable part.
- 2 Your annuity starting date was after November 18, 1996, and both of the following apply:

a. The payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity.

b. On your annuity starting date, either you were under age 75 or the number of years of guaranteed payments was fewer than 5. See Pub 575 for the definition of guaranteed payments.

CAUTION If you receive U.S. Civil Service retirement benefits and you choose the alternative annuity option, see Pub 721 to figure the taxable part of your annuity. Do not use the worksheet below.

Keep for Your Records

Simplified Method Worksheet—Lines 16a and 16b

Before you begin: ✓ If you are the beneficiary of a deceased employee or former employee who died before August 21, 1996, include any death benefit exclusion that you are entitled to (up to \$5,000) in the amount entered on line 2 below.

Note. If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 16b. Enter the total pension or annuity payments received in 2005 on Form 1040, line 16a.

1. Enter the total pension or annuity payments received in 2005. Also, enter this amount on Form 1040, line 16a	1.	
2. Enter your cost in the plan at the annuity starting date	2.	
3. Enter the appropriate number from Table 1 below. But if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, enter the appropriate number from Table 2 below	3.	
4. Divide line 2 by the number on line 3	4.	
5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was before 1987, skip lines 6 and 7 and enter this amount on line 8. Otherwise, go to line 6	5.	
6. Enter the amount, if any, recovered tax free in years after 1986	6.	
7. Subtract line 6 from line 5	7.	
8. Enter the smaller of line 5 or line 7	8.	
9. Taxable amount. Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 16b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R	9.	

Table 1 for Line 3 Above

IF the age at annuity starting date (see page 27) was . . .	AND your annuity starting date was— before November 19, 1996, enter on line 3 . . .	after November 18, 1996, enter on line 3 . . .
55 or under	300	360
56–60	260	310
61–65	240	260
66–70	170	210
71 or older	120	160

Table 2 for Line 3 Above

IF the combined ages at annuity starting date (see page 27) were . . .	THEN enter on line 3 . . .
110 or under	410
111–120	360
121–130	310
131–140	260
141 or older	210

Need more information or forms? See page 7.

You should receive a Form 1099-R showing the amount of your pension and annuity payments. See page 27 for details on rollovers and lump-sum distributions. Do not include the following payments on lines 16a and 16b. Instead, report them on line 7:

- Disability pensions received before you reach the minimum retirement age set by your employer
- Corrective distributions of excess salary deferrals or excess contributions to retirement plans



TIP Attach Form(s) 1099-R to Form 1040 if any federal income tax was withheld.

Fully Taxable Pensions and Annuities

If your pension or annuity is fully taxable, enter it on line 16b, do not make an entry on line 16a. Your payments are fully taxable if (a) you did not contribute to the cost (see page 27) of your pension or annuity, or (b) you got your entire cost back tax free before 2005.

Fully taxable pensions and annuities also include military retirement pay shown on Form 1099-R. For details on military disability pensions, see Pub 525. If you received a Form RRB-1099-R, see Pub 575 to find out how to report your benefits.

Partially Taxable Pensions and Annuities

Enter the total pension or annuity payments you received in 2005 on line 16a. If your Form 1099-R does not show the taxable amount, you must use the General Rule explained in Pub 939 to figure the taxable part to enter on line 16b. But if your annuity starting date (defined below) was after July 1, 1986, see Simplified Method on page 26 to find out if you must use that method to figure the taxable part.

You can ask the IRS to figure the taxable part for you for a \$95 fee. For details, see Pub 939.

If your Form 1099-R shows a taxable amount, you can report that amount on line 16b. But you may be able to report a lower taxable amount by using the General Rule or the Simplified Method.

Annuity Starting Date

Your annuity starting date is the later of the first day of the first period for which you received a payment or the date the plan's obligations became fixed.

Need more information or forms? See page 7.

nondeductible contributions to any of your traditional or SEP IRAs for 2005 or an earlier year. If you made nondeductible contributions to these IRAs for 2005, also see Pub 590.

2. You received a distribution from a Roth IRA that if either (a) or (b) below applies, enter -0- on line 15b; you do not have to see Form 8606 or its instructions:

- a Distribution code T is shown in Form 1099-R, box 7, and you made a contribution (including a conversion) to a Roth IRA for 2000 or an earlier year.
- b Distribution code Q is shown in Form 1099-R, box 7.

3. You converted part or all of a traditional, SEP, or SIMPLE IRA to a Roth IRA in 2005.

4. You had a 2004 or 2005 IRA contribution returned to you with the related earnings or less any loss, by the due date (including extensions) of your tax return for that year.

5. You made excess contributions to your IRA for an earlier year and had them returned to you in 2005.

6. You recharacterized part or all of a contribution to a Roth IRA as a traditional IRA contribution, or vice versa.

Note. If you (or your spouse if filing jointly) received more than one distribution, figure the taxable amount of each distribution and enter the total of the taxable amounts on line 15b. Enter the total amount of those distributions on line 15a.



TIP You may have to pay an additional tax if (a) you received an early distribution from your IRA and the total was not rolled over, or (b) you were born before July 1, 1954, and received less than the minimum required distribution from your traditional, SEP, and SIMPLE IRAs. See the instructions for line 60 on page 43 for details.

Lines 16a and 16b Pensions and Annuities

Special rules may apply if you received a distribution from a profit-sharing or retirement plan after August 24, 2005, and your main home was in the Hurricane Katrina disaster area. Special rules may also apply if you received a distribution after February 28, 2005, and before August 29, 2005, to buy or construct a main home in the Hurricane Katrina disaster area, but that home was not bought or constructed because of Hurricane Katrina. See Form 8915 and its instructions for details.

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Line 14 Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the Instructions for Form 1797.

Lines 15a and 15b IRA Distributions



TIP Special rules may apply if you received a distribution from your individual retirement arrangement (IRA) after August 24, 2005, and your main home was in the Hurricane Katrina disaster area. Special rules may also apply if you received a distribution after February 28, 2005, and before August 29, 2005, to buy or construct a main home in the Hurricane Katrina disaster area, but that home was not bought or constructed because of Hurricane Katrina. See Form 8915 and its instructions for details.

You should receive a Form 1099-R showing the amount of any distribution from your IRA. Unless otherwise noted in the line 15a and 15b instructions, an IRA includes a traditional IRA, Roth IRA, simple employee pension (SEP) IRA, and a savings incentive match plan for employees (SIMPLE) IRA. Except as provided below, leave line 15a blank and enter the total distribution on line 15b.

Exception 1. Enter the total distribution on line 15a if you rolled over part or all of the distribution from one:

- IRA to another IRA of the same type (for example, from one traditional IRA to another traditional IRA), or
- SEP or SIMPLE IRA to a traditional IRA.

Also, put "Rollover" next to line 15b. If the total distribution was rolled over in a qualified rollover, enter -0- on line 15b. If the total distribution was not rolled over in a qualified rollover, enter the part not rolled over on line 15b unless Exception 2 applies to the part not rolled over. Generally, a qualified rollover must be made within 60 days after the day you received the distribution. For more details on rollovers, see Pub 590.

If you rolled over the distribution into a qualified plan other than an IRA or you made the rollover in 2006, attach a statement explaining what you did.

Exception 2. If any of the following apply, enter the total distribution on line 15a and see Form 8606 and its instructions to figure the amount to enter on line 15b:

1. You received a distribution from an IRA (other than a Roth IRA) and you made

Need more information or forms? See page 7.

Form 1040—Lines 20a and 20b

Social Security Benefits Worksheet—Lines 20a and 20b

Keep for Your Records

Before you begin:

- ✓ Complete Form 1040, lines 21 and 23 through 32 if they apply to you.
- ✓ Figure any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36 on page 35).
- ✓ If you are married filing separately and you lived apart from your spouse for all of 2005, enter "D" to the right of the word "benefits" on line 20a.
- ✓ Be sure you have read the **Exception** on page 27 to see if you can use this worksheet instead of a publication to find out if any of your benefits are taxable.

1. Enter the total amount from box 5 of all your Forms SSA-1099 and Forms RRB-1099

1. _____

2. Enter one-half of line 1

2. _____

3. Enter the total of the amounts from Form 1040, lines 7, 8a, 9a, 10 through 14, 15b, 16b, 17 through 19, and 21

3. _____

4. Enter the amount, if any, from Form 1040, line 8b

4. _____

5. Add lines 2, 3, and 4

5. _____

6. Enter the total of the amounts from Form 1040, lines 23 through 32, plus any write-in adjustments you entered on the dotted line next to line 36

6. _____

7. Is the amount on line 6 less than the amount on line 5?

7. _____

8. If you are

8. _____

9. Is the amount on line 8 less than the amount on line 7?

9. _____

10. Enter \$12,000 if married filing jointly; \$9,000 if single, head of household, qualifying widow(er), or married filing separately and you lived apart from your spouse for all of 2005

10. _____

11. Subtract line 10 from line 9. If zero or less, enter -0-

11. _____

12. Enter the smaller of line 9 or line 10

12. _____

13. Enter one-half of line 12

13. _____

14. Enter the smaller of line 2 or line 13

14. _____

15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0-

15. _____

16. Add lines 14 and 15

16. _____

17. Multiply line 1 by 85% (.85)

17. _____

18. Taxable social security benefits. Enter the smaller of line 16 or line 17

18. _____

• Enter the amount from line 1 above on Form 1040, line 20a

• Enter the amount from line 18 above on Form 1040, line 20b

• Enter the amount from line 18 above on Form 1040, line 20b

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TIP If any of your benefits are taxable for 2005 and they include a lump-sum benefit payment that was for an earlier year, you may be able to reduce the taxable amount. See Pub 915 for details.

Form 1040—Lines 16a Through 20b

If you repaid more than \$3,000, see **Repayments** in Pub 525 for details on how to report the repayment.

Lines 20a and 20b

Social Security Benefits

You should receive a Form SSA-1099 showing in box 3 the total social security benefits paid to you. Box 4 will show the amount of any benefits you repaid in 2005. If you received railroad retirement benefits treated as social security, you should receive a Form RRB-1099.

Use the worksheet on page 28 to see if any of your benefits are taxable.

Exception. Do not use the worksheet on page 28 if any of the following applies:

- You made contributions to a traditional IRA for 2005 and you or your spouse were covered by a retirement plan at work or through self-employment. Instead, use the worksheets in Pub 590 to see if any of your social security benefits are taxable and to figure your IRA deduction.
- You repaid any benefits in 2005 and your total repayments (box 4) were more than your total benefits for 2005 (box 3). None of your benefits are taxable for 2005. Also, you may be able to take an itemized deduction or a credit for part of the excess repayments if they were for benefits you included in gross income in an earlier year. For more details, see Pub 915.

• You file Form 2555, 2555-EZ, 4563, or 8815, or you exclude employer-provided adoption benefits or income from sources within Puerto Rico. Instead, use the worksheet in Pub 915.

• If you received an overpayment of unemployment compensation in 2005, and you repaid any of it in 2005, subtract the amount you repaid from the total amount you received. Enter the result on line 19. Also, enter "Repaid" and the amount you repaid on the dotted line next to line 19. If in 2005, you repaid unemployment compensation that you included in gross income in an earlier year, you can deduct the amount repaid on Schedule A, line 22. But

including distributions under qualified domestic relations orders, see Pub 575.

Lump-Sum Distributions

If you received a lump-sum distribution from a profit-sharing or retirement plan, your Form 1099-R should have the "Total distribution" box in box 2b checked. You may owe an additional tax if you received an early distribution from a qualified retirement plan and the total amount was not rolled over in a qualified rollover. For details, see the instructions for line 60 on page 43.

Enter the total distribution on line 16a and the taxable part on line 16b.



TIP You may be able to pay less tax on the distribution if you were born before January 2, 1936, or you are the beneficiary of a deceased employee who was born before January 2, 1936. For details, see Form 4972.

Line 19

Unemployment Compensation

You should receive a Form 1099-G showing the total unemployment compensation paid to you in 2005.

If you received an overpayment of unemployment compensation in 2005, and you repaid any of it in 2005, subtract the amount you repaid from the total amount you received. Enter the result on line 19. Also, enter "Repaid" and the amount you repaid on the dotted line next to line 19. If in 2005, you repaid unemployment compensation that you included in gross income in an earlier year, you can deduct the amount repaid on Schedule A, line 22. But

Age (or Combined Ages) at Annuity Starting Date

If you are the retiree, use your age on the annuity starting date. If you are the survivor of a retiree, use the retiree's age on his or her annuity starting date. But if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, use your combined ages on the annuity starting date.

If you are the beneficiary of an employee who died, see Pub 575. If there is more than one beneficiary, see Pub 575 or Pub 721 to figure each beneficiary's taxable amount.

Cost

Your cost is generally your net investment in the plan as of the annuity starting date. It does not include pre-tax contributions. Your net investment should be shown in Form 1099-R, box 9b, for the first year you received payments from the plan.

Rollovers

Generally, a qualified rollover is a tax-free distribution of cash or other assets from one retirement plan that is contributed to another plan within 60 days of receiving the distribution. Use lines 16a and 16b to report a qualified rollover, including a direct rollover from one qualified employer's plan to another or to an IRA or SEP.

Enter on line 16a the total distribution before income tax or other deductions were withheld. This amount should be shown in Form 1099-R, box 1. From the total on line 16a, subtract any contributions (usually shown in box 5) that were taxable to you when made. From that result, subtract the remaining amount, even if zero, on line 16b. Also, enter "Rollover" next to line 16b.

Special rules apply to partial rollovers of property. For more details on rollovers,

Form 1040—Lines 27 Through 31b

Line 27**One-Half of Self-Employment Tax**

If you were self-employed and owe self-employment tax, fill in Schedule SE to figure the amount of your deduction.

Line 28**Self-Employed SEP, SIMPLE, and Qualified Plans**

If you were self-employed or a partner, you may be able to take this deduction. See Pub 560 or, if you were a minister, Pub 517.

Line 29**Self-Employed Health Insurance Deduction**

You may be able to deduct the amount you paid for health insurance for yourself, your spouse, and your dependents if any of the following applies:

- You were self-employed and had a net profit for the year.
- You used one of the optional methods to figure your net earnings from self-employment on Schedule SE.
- You received wages in 2005 from an S corporation in which you were a

Self-Employed Health Insurance Deduction Worksheet—Line 29**Before you begin:**

- ✓ If, during 2005, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA recipient, or Pension Benefit Guaranty Corporation pension recipient, see the **Note** above.
- ✓ Be sure you have read the **Exception** above to see if you can use this worksheet instead of Pub 535 to figure your deduction.

1. Enter the total amount paid in 2005 for health insurance coverage established under your business for 2005 for you, your spouse, or your dependents. But do not include amounts for any month you were eligible to participate in an employer-sponsored health plan.
2. Enter your net profit* and any other earned income** from the business under which the insurance plan is established, minus any deductions on Form 1040, lines 27 and 28.
3. **Self-employed health insurance deduction.** Enter the **smaller** of line 1 or line 2 here and on Form 1040, line 29. Do not include this amount in figuring any medical expense deduction on Schedule A.

* If you used either optional method to figure your net earnings from self-employment, do not enter your net profit. Instead, enter the amount from Schedule SE, line 4b.

** Earned income includes net earnings and gains from the sale, transfer, or licensing of property you created. It does not include capital gain income. If you were a more-than-2% shareholder in the S corporation under which the insurance plan is established, earned income is your wages from that corporation.

Need more information or forms? See page 7. - 30 -

Form 1040—Lines 21 Through 26

nonacademic supplies for courses in health or physical education. You must reduce your qualified expenses by the following amounts:

- Excludable U.S. series EE and I savings bond interest from Form 8815.
- Nontaxable qualified tuition program earnings.
- Nontaxable earnings from Coverdell education savings accounts.
- Any reimbursements you received for these expenses that were not reported to you in Form W-2, box 1.

For more details, use TeleTax topic 158 (see page 8).

Line 24**Certain Business Expenses of Reservists, Performing Artists, and Fee-Basis Government Officials**

Include the following deductions on line 24:

- Certain business expenses of National Guard and reserve members who traveled more than 100 miles from home to perform services as a National Guard or reserve member.
- Performing-arts-related expenses as a qualified performing artist.
- Business expenses of fee-basis state or local government officials.

For more details, see Form 2106 or 2106-EZ.

Line 25**Health Savings Account Deduction**

If contributions (other than employer contributions) were made to your health savings account for 2005, you may be able to take this deduction. See Form 8889.

Line 26**Moving Expenses**

If you moved in connection with your job or business or started a new job, you may be able to take this deduction. But your new workplace must be at least 50 miles farther from your old home than your old home was from your old workplace. If you had no former workplace, your new workplace must be at least 50 miles from your old home. Use TeleTax topic 455 (see page 8) or see Form 3903.

Need more information or forms? See page 7. - 29 -

see the instructions for Schedule A, line 27, on page A-9.



Attach Form(s) W-2 to Form 1040 if any federal income tax was withheld.

- Jury duty fees. Also, see the instructions for line 36 on page 35.
- Alaska Permanent Fund dividends.
- Alternative trade adjustment assistance payments. These payments should be shown in Form 1099-C, box 5.
- Reimbursements or other amounts received for items deducted in an earlier year, such as medical expenses, real estate taxes, general sales taxes, or home mortgage interest. See Recoveries in Pub 525 for details on how to figure the amount to report.
- Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property. Also, see the instructions for line 36 on page 35.
- Income from an activity not engaged in for profit. See Pub 535.
- Loss on certain corrective distributions of excess deferrals. See *Retirement Plan Contributions* in Pub 525.

Adjusted Gross Income**Line 23****Educator Expenses**

If you were an eligible educator in 2005, you can deduct up to \$250 of qualified expenses you paid in 2005. If you and your spouse are filing jointly and both of you were eligible educators, the maximum deduction is \$500. However, neither spouse can deduct more than \$250 of his or her qualified expenses. An eligible educator is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in a school for at least 900 hours during a school year.

Qualified expenses include ordinary and necessary expenses paid in connection with books, supplies, equipment (including computer equipment, software, and services), and other materials used in the classroom. An ordinary expense is one that is common and accepted in your educational field. A necessary expense is one that is helpful and appropriate for your profession as an educator. An expense does not have to be required to be considered necessary.

Qualified expenses do not include expenses for home schooling or for

Line 21**Other Income**

Do not report on this line any income from self-employment or fees received as a notary public. Instead, you must use Schedule C, C-EZ, or F, even if you do not have any business expenses. Also, do not report on line 21 any nonemployee compensation shown on Form 1099-MISC. Instead, see the chart on page 15 to find out where to report that income.

Use line 21 to report any income not reported elsewhere on your return or other schedules. See the examples below. List the type and amount of income. If necessary, show the required information on an attached statement. For more details, see *Miscellaneous Income* in Pub 525.



Do not report any nontaxable amounts on line 21, such as a qualified tuition program (QTP) distribution from these accounts may be taxable if (a) they are more than the qualified higher education expenses of the designated beneficiary in 2005, and (b) they were not included in a qualified rollover. See Pub 970.

Examples of income to report on line 21 are:

- Taxable distributions from a Coverdell education savings account (ESA) or a qualified tuition program (QTP). Distributions from these accounts may be taxable if (a) they are more than the qualified higher education expenses of the designated beneficiary in 2005, and (b) they were not included in a qualified rollover. See Pub 970.



You may have to pay an additional tax if you received a taxable distribution from a Coverdell ESA or a QTP. See the instructions for Form 529.

- Taxable distributions from a health savings account (HSA) or an Archer MSA. Distributions from these accounts may be taxable if (a) they are more than the unreimbursed qualified medical expenses of the account beneficiary or account holder in 2005, and (b) they were not included in a qualified rollover. See Pub 969.



You may have to pay an additional tax if you received a taxable distribution from an HSA or an Archer MSA. See the instructions for Form 8889 for HSAs or the instructions for Form 8854 for Archer MSAs.

- Prizes and awards.
- Gambling winnings, including lotteries, raffles, a lump-sum payment from the sale of a right to receive future lottery payments, etc. For details on gambling losses,

If you qualify to take the deduction, use the worksheet below to figure the amount you can deduct.

Exception. Use Pub 535 instead of the worksheet below to find out how to figure your deduction if any of the following applies:

- You had more than one source of income subject to self-employment tax.
- You file Form 2555 or 2555-EZ.
- You are using amounts paid for qualified long-term care insurance to figure the deduction.

Line 30**Penalty on Early Withdrawal of Savings**

The Form 1099-INT or Form 1099-CID you received will show the amount of any penalty you were charged.

Line 31a and 31b**Alimony Paid**

If you made payments to or for your spouse or former spouse under a divorce or separation instrument, you may be able to take this deduction. Use TeleTax topic 452 (see page 8) or see Pub 504.



Keep for Your Records

Form 1040—Line 32

Line 32

IRA Deduction

TIP If you made any nondeductible contributions to a traditional individual retirement arrangement (IRA) for 2005, you must report them on Form 8606.

If you made contributions to a traditional IRA for 2005, you may be able to take an IRA deduction. But you, or your spouse if filing a joint return, must have had earned income to do so. For IRA purposes, earned income includes alimony and separate maintenance payments reported on line 11. If you were self-employed, earned income is generally your net earnings from self-employment if your personal services are a material income-producing factor. For more details, see Pub. 590. A statement should be sent to you by May 31, 2006, that shows all contributions to your traditional IRA for 2005.

Use the worksheet on page 32 to figure the amount, if any, of your IRA deduction. But read the following list before you fill in the worksheet:

- 1 If you were age 70½ or older at the end of 2005, you cannot deduct any contributions made to your traditional IRA for 2005 or treat them as nondeductible contributions.
- 2 You cannot deduct contributions to a Roth IRA. But you may be able to take the retirement savings contributions credit. See the instructions for line 51 on page 40.

CAUTION If you made contributions to both a traditional IRA and a Roth IRA for 2005, do not use the worksheet on page 32. Instead, see Pub. 590 to figure the amount, if any, of your IRA deduction.

- 3 You cannot deduct elective deferrals to a 401(k) plan, section 457 plan,

SIMPLE plan, or the federal Thrift Savings Plan. These amounts are not included as income in Form W-2, box 1. But you may be able to take the retirement savings contributions credit. See the instructions for line 51 on page 40.

4 If you made contributions to your IRA in 2005 that you deducted for 2004, do not include them in the worksheet.

5 If you received income from a non-qualified deferred compensation plan or nongovernmental section 457 plan that is included in Form W-2, box 1, or in Form 1099-MISC, box 7, do not include that income on line 8 of the worksheet. The income should be shown in (a) Form W-2, box 11, (b) Form W-2, box 12, with code Z, or (c) Form 1099-MISC, box 15b. If it is not, contact your employer or the payer for the amount of the income.

6 You must file a joint return to deduct contributions to your spouse's IRA. Enter the total IRA deduction for you and your spouse on line 32.

7 Do not include qualified rollover contributions in figuring your deduction. Instead, see the instructions for lines 15a and 15b on page 25.

8 Do not include trustees' fees that were billed separately and paid by you for your IRA. These fees can be deducted only as an itemized deduction on Schedule A.

9 If the total of your IRA deduction on line 32 plus any nondeductible contribution to your traditional IRAs shown on Form 8606 is less than your total traditional IRA contributions for 2005, see Pub. 590 for special rules.

TIP By April 1 of the year after the year in which you turn age 70½, you must start taking minimum required distributions from

your traditional IRA. If you do not, you may have to pay a 50% additional tax on the amount that should have been distributed. For details, including how to figure the minimum required distribution, see Pub. 590.

Were You Covered by a Retirement Plan?

If you were covered by a retirement plan (qualified pension, profit-sharing (including 401(k)), annuity, SEP, SIMPLE, etc.) at work or through self-employment, your IRA deduction may be reduced or eliminated. But you can still make contributions to an IRA even if you cannot deduct them. In any case, the income earned on your IRA contributions is not taxed until it is paid to you.

The "Retirement plan" box in Form W-2, box 13, should be checked if you were covered by a plan at work even if you were not vested in the plan. You are also covered by a plan if you were self-employed and had a SEP, SIMPLE, or qualified retirement plan.

If you were covered by a retirement plan and you file Form 2555, 2555-EZ, or 8815, or you exclude employer-provided adoption benefits, see Pub. 590 to figure the amount, if any, of your IRA deduction.

Married persons filing separately. If you were not covered by a retirement plan but your spouse was, you are considered covered by a plan unless you lived apart from your spouse for all of 2005.

IRA Deduction Worksheet—Line 32

Before you begin: ✓ Figure any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36 on page 35).
✓ Be sure you have read the list on page 31.

Keep for Your Records

	Your IRA	Spouse's IRA
	1a. <input type="checkbox"/> Yes <input type="checkbox"/> No	1b. <input type="checkbox"/> Yes <input type="checkbox"/> No
1a. Were you covered by a retirement plan (see page 31)?		
b. If married filing jointly, was your spouse covered by a retirement plan?		
Next, if you checked "No" on line 1a (and "No" on line 1b if married filing jointly), skip lines 2 through 6, enter \$4,500 if age 50 or older at the end of 2005 on line 7a (and 7b if applicable), and go to line 8. Otherwise, go to line 2.		
2. Enter the amount shown below that applies to you.	2a.	2b.
• Single, head of household, or married filing separately and you lived apart from your spouse for all of 2005, enter \$60,000		
• Qualifying widow(er), enter \$80,000		
• Married filing jointly, enter \$80,000 in both columns. But if you checked "No" on either line 1a or 1b, enter \$160,000 for the person who was not covered by a plan		
• Married filing separately and you lived with your spouse at any time in 2005, enter \$10,000		
3. Enter the amount from Form 1040, line 22	3.	
4. Enter the total of the amounts from Form 1040, lines 23 through 31a, plus any write-in adjustments you entered on the dotted line next to line 36	4.	
5. Subtract line 4 from line 3. If married filing jointly, enter the result in both columns	5a.	5b.
6. Is the amount on line 5 less than the amount on line 2?		
<input type="checkbox"/> No. None of your IRA contributions are deductible. For details on nondeductible IRA contributions, see Form 8606.		
<input type="checkbox"/> Yes. Subtract line 5 from line 2 in each column. If the result is \$10,000 or more, enter \$4,500 if age 50 or older at the end of 2005 on line 7 for that column and go to line 8. Otherwise, go to line 7.	6a.	6b.
7. Multiply lines 6a and 6b by 40% (40) or by 45% (45) in the column for the IRA of a person who is age 50 or older at the end of 2005. If the result is not a multiple of \$10, increase it to the next multiple of \$10 (for example, increase \$490.30 to \$500). If the result is \$200 or more, enter the result. But if it is less than \$200, enter \$200.	7a.	7b.
8. Enter your wages, and your spouse's if filing jointly, and other earned income from Form 1040, lines 27 and 28. Do not reduce wages by any loss from self-employment	8.	
9. Enter traditional IRA contributions made, or that will be made by April 17, 2006, for 2005 to your IRA on line 9a and to your spouse's IRA on line 9b.	9a.	9b.
10. On line 10a, enter the smallest of line 7a, 8, or 9a. On line 10b, enter the smallest of line 7b, 8, or 9b. This is the most you can deduct. Add the amounts on lines 10a and 10b and enter the total on Form 1040, line 32. Or, if you want, you can deduct a smaller amount and treat the rest as a nondeductible contribution (see Form 8606).	10a.	10b.

TIP You may be able to take the retirement savings contributions credit. See the instructions for line 51 on page 40.

Line 33

Student Loan Interest Deduction

- You paid interest in 2005 on a qualified student loan (see below).

- Your filing status is any status except married filing separately
- Your modified adjusted gross income (AGI) is less than \$65,000 if single, head of household, or qualifying widow(er) or \$135,000 if married filing jointly. Use lines 2 through 4 of the worksheet below to figure your modified AGI
 - You, or your spouse if filing jointly, are not claimed as a dependent on someone's (such as your parent's) 2005 tax return

Use the worksheet below to figure your student loan interest deduction

Exception. Use Pub. 970 instead of the worksheet below to figure your student loan interest deduction if you file Form 1041, 2555-EZ, or 4563, or you exclude income from sources within Puerto Rico.

Qualified student loan. A qualified student loan is any loan you took out to pay the qualified higher education expenses for

Student Loan Interest Deduction

Student Loan Interest Deduction Worksheet—Line 33

Before you begin:

- ✓ Figure any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36 on page 35)
- ✓ Be sure you have read the **Exception** above to see if you can use this worksheet instead of Pub. 970 to figure your deduction

1. Enter the total interest you paid in 2005 on qualified student loans (see above) **Do not enter more than \$2,500** _____ 1.
2. Enter the amount from Form 1040, line 22 _____ 2.
3. Enter the total of the amounts from Form 1040, lines 23 through 32, plus any write-in adjustments you entered on the dotted line next to line 36 _____ 3.
4. Subtract line 3 from line 2 _____ 4.
5. Enter the amount shown below for your filing status:
 - Single, head of household, or qualifying widow(er)—\$50,000 } _____ 5.
 - Married filing jointly—\$105,000 }
6. Is the amount on line 4 more than the amount on line 5?
 - ☐ No. Skip lines 6 and 7, enter -0- on line 8, and go to line 9.
 - ☐ Yes. Subtract line 5 from line 4 _____ 6.
7. Divide line 6 by \$15,000 (\$30,000 if married filing jointly). Enter the result as a decimal (rounded to at least three places). If the result is 1,000 or more, enter 1,000 _____ 7.
8. Multiply line 1 by line 7 _____ 8.
9. **Student loan interest deduction.** Subtract line 8 from line 1. Enter the result here and on Form 1040, line 33. **Do not** include this amount in figuring any other deduction on your return (such as on Schedule A, C, E, etc.) _____ 9.

Line 34

Tuition and Fees Deduction



40 for details You can take this deduction only if all of the following apply

- You paid qualified tuition and fees for yourself, your spouse, or your dependent(s)
- Your filing status is any status except married filing separately
- Your modified adjusted gross income (see page 1) is not more than \$80,000 if single, head of household, or qualifying widow(er). \$160,000 if married filing jointly. Use lines 1 through 3 of the worksheet below to figure your modified AGI
- You, or your spouse if filing jointly, cannot be claimed as a dependent on someone's (such as your parent's) tax return.
- You are not claiming an education credit for the same student. See the instructions for line 59 on page 40.

Tuition and Fees Deduction 1

Tuition and Fees Deduction Worksheet—Line 34

Before you begin: ✓ Figure any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36 on page 35).

✓ Be sure you have read the **Exception** above to see if you can use this worksheet instead of Pub. 970 to figure your deduction.

1. Enter the amount from Form 1040, line 22. _____
2. Enter the total of the amounts from Form 1040, lines 23 through 33, plus any write-in adjustments you entered on the dotted line next to line 36. _____
3. Subtract line 2 from line 1. If the result is more than \$80,000 (\$160,000 if married filing jointly), ^(step) You cannot take the deduction for tuition and fees _____.
4. **Tuition and fees deduction.** Is the amount on line 3 more than \$65,000 (\$130,000 if married filing jointly)?
☐ **Yes.** Enter the total qualified tuition and fees (defined above) you paid in 2015. **Do not** enter more than \$2,000. Also, enter this amount on Form 1040, line 34. _____
☐ **No.** Enter the total qualified tuition and fees (defined above) you paid in 2015. **Do not** enter more than \$4,000. Also, enter this amount on Form 1040, line 34. _____

Note. Do not include this amount in figuring any other deduction on your return (such as on Schedule A, C, E, etc.)

Form 1040—Lines 35 Through 40

- Line 35**
Domestic Production Activities Deduction
- You may be able to deduct up to 3% of your qualified production activities income from the following activities:
1. Construction performed in the United States
 2. Engineering or architectural services performed in the United States for construction projects in the United States
 3. Any lease, rental, license, sale, exchange, or other disposition of:
 - a. Tangible personal property, computer software, and sound recordings that you manufactured, produced, grew, or extracted in whole or in significant part within the United States.
 - b. Any qualified film you produced.
 - c. Electricity, natural gas, or portable water you produced in the United States.
- The deduction does not apply to income derived from:
- The sale of food and beverages you prepared at a retail establishment.
 - Property you leased, licensed, or rented for use by any related person, or
 - The transmission or distribution of electricity, natural gas, or portable water.
- For details, see Form 8933 and its instructions.

Tax and Credits

Line 39a

If you were born before January 2, 1941, or were blind at the end of 2005, check the appropriate boxes on line 39a. If you were married and checked the box on Form 1040, line 6b, and your spouse was born before January 2, 1941, or was blind at the end of 2005, also check the appropriate boxes for your spouse. Be sure to enter the total number of boxes checked.

Blindness

If you were partially blind as of December 31, 2005, you must get a statement certified by your eye doctor or registered optometrist that:

- You cannot see better than 20/200 in your better eye with glasses or contact lenses, or
- Your field of vision is 20 degrees or less.

If your eye condition is not likely to improve beyond the conditions listed above, you can get a statement certified by your eye doctor or registered optometrist to this effect instead.

You must keep the statement for your records.

Line 39b

If your spouse itemizes deductions on a separate return or if you were a dual-status alien, check the box on line 39b. But if you were a dual-status alien and you file a joint return with your spouse who was a U.S. citizen or resident at the end of 2005 and you and your spouse agree to be taxed on your combined worldwide income, do not check the box.

Line 40

Itemized Deductions or Standard Deduction

In most cases, your federal income tax will be less if you take the larger of your itemized deductions or standard deduction.

If you checked the box on line 39b, your standard deduction is zero.

Itemized Deductions

To figure your itemized deductions, fill in Schedule A.

Need more information or forms? See page 7.

Standard Deduction

Most people can find their standard deduction by looking at the amounts listed under "All others" to the left of Form 1040, line 40. But if you, or your spouse if filing

jointly, can be claimed as a dependent on someone's 2005 return or you checked any box on line 39a, use the worksheet or the chart below, whichever applies, to figure your standard deduction. Also, if you checked the box on line 39b, your standard deduction is zero, even if you were born before January 2, 1941, or were blind.

Standard Deduction Worksheet for Dependents—Line 40

Use this worksheet only if someone can claim you, or your spouse if filing jointly, as a dependent.

1. Is your earned income* more than \$550?		2. Enter the amount shown below for your filing status.		3. Enter the smaller of line 1 or line 2. If born after January 1, 1941, and not blind, stop here and enter this amount on Form 1040, line 40. Otherwise, go to line 3b.	
<input type="checkbox"/> Yes. Add \$50 to your earned income.	<input type="checkbox"/> No. Enter \$800.	1. Enter the total.	2. Enter the amount shown below for your filing status.	3a. If born before January 2, 1941, or blind, multiply the number on Form 1040, line 39a, by \$1,000 (\$1,250 if single or head of household).	3b. Add lines 3a and 3b. Enter the total here and on Form 1040, line 40.
		• Single or married filing separately—\$5,000	• Married filing jointly or qualifying widow(er)—\$10,000	• Head of household—\$7,500	
		Standard deduction. a. Enter the smaller of line 1 or line 2. If born after January 1, 1941, and not blind, stop here and enter this amount on Form 1040, line 40. Otherwise, go to line 3b. b. If born before January 2, 1941, or blind, multiply the number on Form 1040, line 39a, by \$1,000 (\$1,250 if single or head of household). c. Add lines 3a and 3b. Enter the total here and on Form 1040, line 40.			
* Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 18, minus the amount, if any, on line 27.					

Standard Deduction Chart for People Who Were Born Before January 2, 1941, or Were Blind—Line 40

Do not use this chart if someone can claim you, or your spouse if filing jointly, as a dependent. Instead, use the worksheet above. Enter the number from the box on Form 1040, line 39a.		AND the number in the box above is...		THEN your standard deduction is...	
IF your filing status is...		AND the number in the box above is...		THEN your standard deduction is...	
Single		1		\$6,250	
Married filing jointly or Qualifying widow(er)		1		\$11,000	
		2		12,000	
		3		13,000	
		4		14,000	
Married filing separately		1		\$6,000	
		2		7,000	
		3		8,000	
		4		9,000	
Head of household		1		\$8,550	
		2		9,800	

Need more information or forms? See page 7.

Form 1040 Line 44

Line 42**Exemptions****Taxpayers having individuals displaced**

by Hurricane Katrina. You may be able to claim an additional exemption amount of \$500 per person up to \$2,000 if you provided housing to a person who was displaced from his or her main home because of Hurricane Katrina and all of the following apply:

- The person displaced lived in your main home for at least 60 consecutive days in 2005.
- You did not receive any rent or other amount from any source for providing the housing.
- The main home of the person displaced was, on August 28, 2005, in the Hurricane Katrina disaster area.
- The person displaced was not your spouse or dependent.

For details, see Form 8914.

Adjusted gross income (line 38) over \$109,475. Use the Deduction for Exemptions Worksheet below to figure your deduction for exemptions unless you are filing Form 8914.

Line 44**Tax**

Do you want the IRS to figure your tax for you?

Deduction for Exemptions Worksheet—Line 42

1. Is the amount on Form 1040, line 38, more than the amount shown on line 4 below for your filing status?

- ☐ **No.** Multiply \$3,200 by the total number of exemptions claimed on Form 1040, line 6d, and enter the result on line 42.

☐ **Yes.** *Continue.*

2. Multiply \$3,200 by the total number of exemptions claimed on Form 1040, line 6d.

3. Enter the amount from Form 1040, line 38.

4. Enter the amount shown below for your filing status.

- Single—\$14,950
- Married filing jointly or qualifying widow(er)—\$28,950
- Married filing separately—\$10,475
- Head of household—\$18,450

5. Subtract line 4 from line 3. If the result is more than \$122,500 (\$61,250 if married filing separately), **stop.** You cannot take a deduction for exemptions.

6. Divide line 5 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, increase it to the next higher whole number (for example, increase 0.0004 to 1).

7. Multiply line 6 by 2% (.02) and enter the result as a decimal.

8. Multiply line 2 by line 7.

9. **Deduction for exemptions.** Subtract line 8 from line 2. Enter the result here and on Form 1040, line 42.

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Need more information or forms? See page 7.

Form 1040 Lines 42 and 44

had more than \$1,600 of investment income, such as taxable interest, ordinary dividends, or capital gains (including capital gain distributions) for either of the child's parents was alive at the end of 2005, do not use Form 8615 to figure the child's tax. Also, a child born on January 1, 1992, is considered to be age 14 at the end of 2005. Do not use Form 8615 for such a child.

Schedule D Tax Worksheet. If you have to file Schedule D and Schedule D, line 18 is more than zero, use the Schedule D Tax Worksheet on page D-9 of the Instructions for Schedule D to figure your tax.

Qualified Dividends and Capital Gain Tax Worksheet. If you do not have to use the Schedule D Tax Worksheet (see above), use the worksheet on page 38 to figure your tax if any of the following applies:

- You reported qualified dividends on Form 1040, line 9b.
- You do not have to file Schedule D and you reported capital gain distributions on Form 1040, line 13.
- You are filing Schedule D and Schedule D, lines 15 and 16, are both more than zero.

Schedule 1. If you had income from farming or fishing, your tax may be less if you choose to figure it using income averaging on Schedule 1.

Form 8615. Form 8615 must generally be used to figure the tax for any child who was under age 14 at the end of 2005, and who

had more than \$1,600 of investment income, such as taxable interest, ordinary dividends, or capital gains (including capital gain distributions) for either of the child's parents was alive at the end of 2005, do not use Form 8615 to figure the child's tax. Also, a child born on January 1, 1992, is considered to be age 14 at the end of 2005. Do not use Form 8615 for such a child.

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had more than \$1,600 of investment income, such as taxable interest, ordinary dividends, or capital gains (including capital gain distributions) for either of the child's parents was alive at the end of 2005, do not use Form 8615 to figure the child's tax. Also, a child born on January 1, 1992, is considered to be age 14 at the end of 2005. Do not use Form 8615 for such a child.

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had more than \$1,600 of investment income, such as taxable interest, ordinary dividends, or capital gains (including capital gain distributions) for either of the child's parents was alive at the end of 2005, do not use Form 8615 to figure the child's tax. Also, a child born on January 1, 1992, is considered to be age 14 at the end of 2005. Do not use Form 8615 for such a child.

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Form 8615. Form 8615 must generally be used to figure the tax for any child who was under age 14 at the end of 2005, and who

had more than \$1,600 of investment income, such as taxable interest, ordinary dividends, or capital gains (including capital gain distributions) for either of the child's parents was alive at the end of 2005, do not use Form 8615 to figure the child's tax. Also, a child born on January 1, 1992, is considered to be age 14 at the end of 2005. Do not use Form 8615 for such a child.

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Need more information or forms? See page 7.



Keep for Your Records

Qualified Dividends and Capital Gain Tax Worksheet—Line 44

Before you begin: See the instructions for line 44 on page 37 to see if you can use this worksheet to figure your tax.

If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

- Enter the amount from Form 1040, line 43.
- Enter the amount from Form 1040, line 9b.
- Are you filing Schedule D?
 - ☐ **Yes.** Enter the smaller of line 15 or 16 of Schedule D, but do not enter less than -0-
 - ☐ **No.** Enter the amount from Form 1040, line 13.
- Add lines 2 and 3.
- If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise, enter -0-.
- Subtract line 5 from line 4. If zero or less, enter -0-.
- Subtract line 6 from line 1. If zero or less, enter -0-.
- Enter the smaller of
 - The amount on line 1, or
 - \$29,700 if single or married filing separately, \$59,400 if married filing jointly or qualifying widow(er), \$39,800 if head of household.
- Is the amount on line 7 equal to or more than the amount on line 8?
 - ☐ **Yes.** Skip lines 9 through 11, go to line 12 and check the "No" box.
 - ☐ **No.** Enter the amount from line 7.
- Subtract line 9 from line 8.
- Multiply line 10 by 5% (.05).
- Are the amounts on lines 6 and 10 the same?
 - ☐ **Yes.** Skip lines 12 through 15, go to line 16.
 - ☐ **No.** Enter the smaller of line 1 or line 6.
- Enter the amount from line 10 (if line 10 is blank, enter -0-).
- Subtract line 13 from line 12.
- Multiply line 14 by 15% (.15).
- Figure the tax on the amount on line 7. Use the Tax Table or Tax Computation Worksheet, whichever applies.
- Add lines 11, 15, and 16.
- Figure the tax on the amount on line 1. Use the Tax Table or Tax Computation Worksheet, whichever applies.
- Tax on all taxable income.** Enter the smaller of line 17 or line 18. Also include this amount on Form 1040, line 44.

Form 1040—Lines 45 Through 51

- Line 45**
Alternative Minimum Tax
 Use the worksheet below to see if you should fill in Form 6251
- Exception.** Fill in Form 6251 instead of using the worksheet below if you claimed or received any of the following items:
- Amortization of pollution-control facilities or depletion
 - Income or (loss) from tax-shelter farm activities or passive activities
 - Income from long-term contracts not figured using the percentage-of-completion method
 - Accelerated depreciation
 - Stock by exercising an incentive stock option and you did not dispose of the stock in the same year
 - Tax-exempt interest from private activity bonds
 - Ineligible drilling, circulation, research, experimental, or mining costs



TIP
 An electronic version of this worksheet will be available on www.irs.gov in 2006. Enter "AMT Assistant" in the Search for box on the website.

Worksheet To See if You Should Fill in Form 6251—Line 45

Keep for Your Records

Before you begin: Be sure you have read the Exception above to see if you must fill in Form 6251 instead of using this worksheet.

If you are claiming the foreign tax credit (see the instructions for Form 1040, line 47, on page 40), enter that credit on line 47

1. Are you filing Schedule A?	1.
<input type="checkbox"/> No. Skip lines 1 through 3; enter on line 4 the amount from Form 1040, line 38, and go to line 5	
<input type="checkbox"/> Yes. Enter the amount from Form 1040, line 41	
2. Enter the smaller of the amount on Schedule A, line 4, or 2% (0.025) of the amount on Form 1040, line 38	2.
3. Enter the total of the amounts from Schedule A, lines 4 and 2b	3.
4. Add lines 1 through 3 above	4.
5. Enter any tax refund from Form 1040, lines 10 and 21	5.
6. Subtract line 5 from line 4	6.
7. Enter the amount from Form 8914, line 2	7.
8. Subtract line 7 from line 6	8.
9. Enter the amount shown below for your filing status	9.
• Single or head of household—\$40,250	
• Married filing jointly or qualifying widow(er)—\$58,000	
• Married filing separately—\$29,000	
10. Is the amount on line 8 more than the amount on line 9?	10.
<input type="checkbox"/> No. You do not need to fill in Form 6251	
<input type="checkbox"/> Yes. Subtract line 9 from line 8	
11. Enter the amount shown below for your filing status	11.
• Single or head of household—\$112,500	
• Married filing jointly or qualifying widow(er)—\$150,000	
• Married filing separately—\$75,000	
12. Is the amount on line 8 more than the amount on line 11?	12.
<input type="checkbox"/> No. Skip lines 12 and 13; enter on line 14 the amount from line 10, and go to line 15	
<input type="checkbox"/> Yes. Subtract line 11 from line 8	
13. Multiply line 12 by 25% (.25) and enter the result but do not enter more than line 9 above	13.
14. Add lines 10 and 13	14.
15. Is the amount on line 14 more than \$175,000 (\$87,500 if married filing separately)?	15.
<input type="checkbox"/> Yes. Fill in Form 6251 to see if you owe the alternative minimum tax	
<input type="checkbox"/> No. Multiply line 14 by 26% (.26)	
16. Enter the amount from Form 1040, line 44, minus the total of any tax from Form 4972 and any amount on Form 1040, line 47. If you used Schedule J to figure your tax, the amount for Form 1040, line 44, must be figured without using Schedule J	16.

Next, is the amount on line 15 more than the amount on line 16?

☐ Yes. Fill in Form 6251 to see if you owe the alternative minimum tax.

☐ No. You do not need to fill in Form 6251.

Need more information or forms? See page 7.

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No. See Form 1116 to find out if you can take the credit and, if you can, if you have to file Form 1116

Line 48 Credit for Child and Dependent Care Expenses

You may be able to take this credit if you paid someone to care for:

- Your qualifying child under age 13 whom you claim as your dependent
- Your disabled spouse who could not care for himself or herself
- Any disabled person not able to care for himself or herself whom you claim as a dependent (or could have claimed as a dependent except that person received \$5,200 or more of gross income or filed a joint return)
- Any disabled person not able to care for himself or herself whom you could have claimed as a dependent except that you, or your spouse if filing jointly, could be claimed as a dependent on someone else's 2005 return
- Your child whom you could not claim as a dependent because of the rules for Children or divorced or separated parents that begin on page 20

For details, use Tax topic 602 (see page 8) or see Form 2441

Line 49 Credit for the Elderly or the Disabled

You may be able to take this credit if by the end of 2005 (a) you were age 65 or older, or (b) you retired on permanent and total disability and you had taxable disability income. But you usually cannot take the credit if the amount on Form 1040, line 38, is \$17,500 or more (\$20,000 or more if married filing jointly and only one spouse is eligible for the credit, \$25,000 or more if married filing jointly and both spouses are eligible, \$12,500 or more if married filing separately). See Schedule R and its instructions for details.

Line 50 Education Credits

If you (or your dependent) paid qualified expenses in 2005 for yourself, your spouse,

or your dependent to enroll in or attend an eligible educational institution, you may be able to take an education credit. See Form 8863 for details. However, you cannot take an education credit if any of the following applies:

- You, or your spouse if filing jointly, are claimed as a dependent on someone's 2005 tax return
- Your filing status is married filing separately
- The amount on Form 1040, line 38, is \$53,000 or more (\$107,000 or more if married filing jointly)
- You are taking a deduction for tuition and fees on Form 1040, line 34, for the same student
- You, or your spouse, were a nonresident alien for any part of 2005 unless your filing status is married filing jointly

Line 51 Retirement Savings Contributions Credit

You may be able to take this credit if you, or your spouse if filing jointly, made (a) contributions to a traditional or Roth IRA, (b) elective deferrals to a 401(k), 403(b), governmental 457, SEP, or SIMPLE plan, (c) voluntary employee contributions to a qualified retirement plan (including the federal Thrift Savings Plan), or (d) contributions to a 501(c)(18)(D) plan

However, you cannot take the credit if either of the following applies:

1. The amount on Form 1040, line 38, is more than \$25,000 (\$57,500 if head of household, \$50,000 if married filing jointly)
2. The person(s) who made the qualified contribution or elective deferral (a) was born after January 1, 1988, (b) is claimed as a dependent on someone else's 2005 tax return, or (c) was a student (defined below)

You were a student if during any part of 5 calendar months of 2005 you:

- Were enrolled as a full-time student at a school, or
 - Took a full-time, on-farm training course given by a school or a state, county, or local government agency
- A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or internet school.

For more details, use Tax topic 610 (see page 8) or see Form 8880

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Need more information or forms? See page 7.

Child Tax Credit Worksheet—Line 52



- To be a qualifying child for the child tax credit, the child must be **under age 17** at the end of 2005 and meet the other requirements listed on page 19
- Do **not** use this worksheet if you answered "Yes" to question 1, 2, or 3 on page 41. Instead, use Pub 972



1. Number of qualifying children
Enter the result 1 \$1,000

2. Enter the amount from Form 1040, line 46 2

3. Add the amounts from Form 1040

Line 47

Line 48 +

Line 49 +

Line 50 +

Line 51 + Enter the total 3

4. Are the amounts on lines 2 and 3 the same?

☐ Yes 570

You cannot take this credit because there is no tax to reduce. However, you may be able to take the **additional child tax credit**. See the **TIP** below.

☐ No. Subtract line 3 from line 2

5. Is the amount on line 1 more than the amount on line 4?

☐ Yes. Enter the amount from line 4

Also, you may be able to take the **additional child tax credit**. See the **TIP** below.

☐ No. Enter the amount from line 1

This is your child tax credit.

Enter this amount on Form 1040, line 52



You may be able to take the **additional child tax credit** on Form 1040, line 68, if you answered "Yes" on line 4 or line 5 above.

- First, complete your Form 1040 through line 67
- Then, use Form 8812 to figure any additional child tax credit



Are you claiming any of the following credits?

- Adoption credit, Form 8839 (see the instructions for Form 1040, line 53, on page 43)
- Mortgage interest credit, Form 8896 (see the instructions for Form 1040, line 54, on page 43)
- Distinction of Columbia first-time homebuyer credit, Form 88859

☐ Yes 570

You must use Pub 972 to figure your child tax credit. You will also need the form(s) listed above for any credit(s) you are claiming.

☐ No. Continue

3. Are you excluding income from Puerto Rico or are you filing any of the following forms?

- Form 2555 or 2555-EZ (relating to foreign earned income)
- Form 4563 (exclusion of income for residents of American Samoa)

☐ Yes 570

You must use Pub 972 to figure your credit.

☐ No. Use the worksheet on page 42 to figure your credit.



Questions Who Must Use Pub. 972

1. Is the amount on Form 1040, line 38, more than the amount shown below for your filing status?

- Married filing jointly - \$110,000
- Single, head of household, or qualifying widow(er) - \$75,000
- Married filing separately - \$55,000

☐ Yes 570

You must use Pub 972 to figure your credit.

☐ No. Go to question 2

Line 52—Child Tax Credit

Three Steps To Take the Child Tax Credit!

- Make sure you have a qualifying child for the child tax credit (see the instructions for line 6c).
- Make sure that for each qualifying child you either checked the box on Form 1040, line 6c, column (4), or completed Form 8901 (if the child is not your dependent).
- Answer the questions on this page to see if you can use the worksheet on page 42 to figure your credit or if you must use Pub. 972. If you need Pub. 972, see page 7.

Form 1040—Lines 62 Through 65

employee if you can control what will be done and how it will be done. Household work includes work done in or around your home by babysitters, nannies, health aides, maids, yard workers, and similar domestic workers.

Line 63**Total Tax**

Include in the total on line 63 any of the following taxes: To find out if you owe the tax, see the form or publication indicated. On the dotted line next to line 63, enter the amount of the tax and identify it as indicated.

- 1 Additional tax on health savings account distributions (see Form 8889). Identify as "HSA."
- 2 Additional tax on Archer MSA distributions (see Form 8853). Identify as "MSA."
- 3 Additional tax on Medicare Advantage MSA distributions (see Form 8853). Identify as "Med MSA."
- 4 Recapture of the following credits:
 - a Investment credit (see Form 4255). Identify as "ICR."
 - b Low-income housing credit (see Form 8611). Identify as "LIHCR."
 - c Qualified electric vehicle credit (see Pub 535). Identify as "QEVCr."
 - d Indian employment credit (see Form 8845). Identify as "IECR."
 - e New markets credit (see Form 8874). Identify as "NMCR."
 - f Credit for employer-provided child care facilities (see Form 8862). Identify as "ECFCr."
- 5 Recapture of federal mortgage subsidy. If you sold your home in 2005 and it was financed in whole or in part from the proceeds of any tax-exempt qualified mortgage bond or you claimed the mortgage interest credit, see Form 8828. Identify as "FMSR."
- 6 Section 72(m)(5) excess benefits tax (see Pub 560). Identify as "Sec 72(m)(5)."
- 7 Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance. This tax should be shown in Form W-2, box 12, with codes A and B or M and N. Identify as "UT."

Form 1040—Lines 53 Through 62

counts (ESAs), Archer MSAs, or health savings accounts.

3 You received taxable distributions from Coverdell ESAs or qualified tuition programs.

4 You were born before July 1, 1934, and did not take the minimum required distribution from your IRA or other qualified retirement plan.

Exception. If only item (1) applies and distribution code 1 is correctly shown in Form 1099-R, box 7, you do not have to file Form 5329. Instead, multiply the taxable amount of the distribution by 10% (10) and enter the result on line 60. The taxable amount of the distribution is the part of the distribution you reported on Form 1040, line 15b or line 16b, or on Form 4972. Also, put "No" under the heading "Other Taxes" to the left of line 60 to indicate that you do not have to file Form 5329. But if distribution code 1 is incorrectly shown in Form 1099-R, box 7, or you qualify for an exception for qualified medical expenses, qualified higher education expenses, or qualified first-time homebuyer distributions, you must file Form 5329.

Line 61**Advance Earned Income Credit Payments**

Enter the total amount of advance earned income credit (EIC) payments you received. These payments are shown in Form(s) W-2, box 9.

Line 62**Household Employment Taxes**

If any of the following apply, see Schedule H and its instructions to find out if you owe these taxes:

- 1 You paid any one household employee (defined below) cash wages of \$1,400 or more in 2005. Cash wages include wages paid by check, money order, etc.
- 2 You withheld federal income tax during 2005 at the request of any household employee.
- 3 You paid total cash wages of \$1,000 or more in any calendar quarter of 2004 or 2005 to household employees.



For item (1), do not count amounts paid to an employee who was under age 18 at any time in 2005 and was a student.

Household employee. Any person who does household work is a household employee.

Need more information or forms? See page 7.

- Nonconventional source fuel credit. If you sold fuel produced from a nonconventional source, or you were an owner of royalty interests and you received income from the sale of fuel produced from a nonconventional source, you may be able to take this credit. See Form 8907.
- Qualified zone academy bond credit. This credit applies only to S corporation shareholders. See Form 8860.

Other Taxes**Line 59****Social Security and Medicare Tax on Tip Income Not Reported to Employer**

If you received tips of \$20 or more in any month and you did not report the full amount to your employer, you must pay the social security and Medicare or railroad retirement (RRTA) tax on the unreported tips. You must also pay this tax if your Form(s) W-2 shows allocated tips that you are including in your income on Form 1040, line 7.

To figure the social security and Medicare tax, use Form 4137. If you owe RRTA tax, contact your employer. Your employer will figure and collect the RRTA tax.

You may be charged a penalty equal to 50% of the social security and Medicare tax due on tips you received but did not report to your employer.

**Line 60****Additional Tax on IRAs, Other Qualified Retirement Plans, etc.**

You may not owe this tax if the distribution was made or repaid because of Hurricane Katrina. See Form 8915 and its instructions for details.



If any of the following apply, see Form 5329 and its instructions to find out if you owe this tax and if you must file Form 5329:

- 1 You received an early distribution from (a) an IRA or other qualified retirement plan, (b) an annuity, or (c) a modified endowment contract entered into after June 20, 1988, and the total distribution was not rolled over in a qualified rollover contribution.
- 2 Excess contributions were made to your IRAs, Coverdell education savings accounts, or other qualified plans.

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Need more information or forms? See page 7.

compensation, social security benefits, or other income you received, include the amount withheld in the total on line 64. This should be shown in Form 1099, box 4, or Form SSA-1099, box 6.

Line 65**2005 Estimated Tax Payments**

Enter any estimated federal income tax payments you made for 2005. Include any overpayment from your 2004 return that you applied to your 2005 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, you can divide the amount paid in any way you choose as long as you both agree. If you cannot agree, you must divide the payments in proportion to each spouse's individual tax as shown on your separate returns for 2005. For an example of how to do this, see Pub 505. Be sure to show both social security numbers (SSNs) in the space provided on the separate returns. If you or your spouse paid separate estimated tax but you are now filing a joint return, add the amounts you each paid. Follow these instructions even if your spouse died in 2005 or in 2006 before filing a 2005 return.

Divorced Taxpayers

If you got divorced in 2005 and you made joint estimated tax payments with your former spouse, put your former spouse's SSN in the space provided on the front of Form 1040. If you were divorced and remarried in 2005, put your present spouse's SSN in the space provided on the front of Form 1040. Also, under the heading "Payments to the left of line 65, put your former spouse's SSN, followed by "DIV."

Name Change

If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to the front of Form 1040. On the statement, explain all the payments you and your spouse made in 2005 and the names and SSN(s) under which you made them.

8 Golden parachute payments. If you received an excess parachute payment (EPP), you must pay a 20% tax on it. This should be shown in Form W-2, box 12, with code K. If you received a EPP from 1099-MISC, the tax is 20% of the EPP shown in box 13. Identify as "EPP."

9 Tax on accumulation distribution of trusts (see Form 4970). Identify as "ADT."

10 Excise tax on insider stock compensation from an exempted corporation. You may owe a 15% excise tax on the value of nonstatutory stock options and certain other stock-based compensation held by you or a member of your family from an exempted corporation or its expanded affiliated group in which you were an officer, director, or more-than-10% owner. See Internal Revenue Code section 1981. Identify as "ISC."

11 Additional tax on income you received from a nonqualified deferred compensation plan that fails to meet certain requirements. This income should be shown in Form W-2, box 12, with code Z, or in Form 1099-MISC, box 15b. See Internal Revenue Code section 409(a)(1)(B) to figure the tax on this income. Identify as "NQDC."

12 Interest on the tax due on installment income from the sale of certain residential lots and timeshares. Identify as "453(H3)" or "453A(c)," whichever applies.

Payments**Line 64****Federal Income Tax Withheld**

Add the amounts shown as federal income tax withheld on your Forms W-2, W-2G, and 1099-R. Enter the total on line 64. The amount withheld should be shown in Form W-2 or W-2G, box 2, and in Form 1099-R, box 4. Attach Forms W-2-G and 1099-R to the front of your return if federal income tax was withheld.

If you received a 2005 Form 1099 showing federal income tax withheld on dividends, interest income, unemployment

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Need more information or forms? See page 7.

Line 53**Adoption Credit**

You may be able to take this credit if either of the following applies:

- You paid expenses to adopt a child.
- You adopted a child with special needs and the adoption became final in 2005.

See the instructions for Form 8839 for details.

Line 54

Include the following credits on line 54 and check the appropriate box(es). To find out if you can take the credit, see the form indicated.

- Mortgage interest credit. If a state or local government gave you a mortgage credit certificate, see Form 8396.
- District of Columbia first-time homebuyer credit. See Form 8859.

Line 55**Other Credits**

Include the following credits on line 55 and check the appropriate box(es). If box c is checked, also enter the form number, if applicable. To find out if you can take the credit, see the form or publication indicated.

- Credit for prior year minimum tax. If you paid alternative minimum tax in a prior year, see Form 8801.
- Qualified electric vehicle credit. If you placed a new electric vehicle in service in 2005, see Form 8834.
- General business credit. This credit consists of a number of credits that usually apply only to individuals who are partners, shareholders in an S corporation, self-employed, or who have rental property. See Form 3800 or Pub 334.
- Empowerment zone and renewal community employment credit. See Form 8844.
- Credit for alcohol used as fuel. See Form 6478.
- Renewable electricity, refined coal, and Indian coal production credit for electricity and refined coal produced at facilities placed in service after October 22, 2004, and Indian coal produced at facilities placed in service after August 8, 2005. See Form 8835, Section B.
- New York Liberty Zone business employee credit. If you have a carryforward credit from Form 8884, see Form 8835, Section B.

Form 1040—Lines 66a and 66b

Continued from page 45**Step 3 Qualifying Child**

2 Do you have at least one child who meets the conditions to be your qualifying child?

- ☐ **Yes.** The child must have a valid social security number as defined on page 48 unless the child was born and died in 2005. **Stop** Step 4, go to Step 5 on page 47.
- ☐ **No.** Go to Step 4, question 2, if the amount on Form 1040, line 38, is less than \$11,750 (\$13,750 if married filing jointly).

A qualifying child for the EIC is a child who is your...

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew).



was ...

Under age 19 at the end of 2005

or

Under age 24 at the end of 2005 and a student (see page 48)

or

Any age and permanently and totally disabled (see page 48)



who...

Lived with you in the United States for more than half

of 2005

If the child did not live with you for the

required time, see *Exceptions to time lived with you* on page 48

If the child meets the conditions to be a qualifying child of any other person (other than your spouse if filing a joint return) for 2005, or the child was married, see page 48.

1 Could you, or your spouse if filing a joint return, be a qualifying child of another person in 2005?

- ☐ **Yes.** **Stop** You cannot take the credit. Put "No" on the dotted line next to line 66a.

☐ **No.** Go to question 2

You cannot take the credit. Put "No" on the dotted line next to line 66a.

Form 1040—Lines 66a and 66b

3 Is your filing status married filing separately?

- ☐ **Yes.** **Stop** You cannot take the credit.
- ☐ **No.** Continue

1 Are you filing Form 2555 or 2555-EZ (relating to foreign earned income)?

- ☐ **Yes.** **Stop** You cannot take the credit.
- ☐ **No.** Continue

5 Were you or your spouse a nonresident alien for any part of 2005?

- ☐ **Yes.** See *Nonresident* on page 48.
- ☐ **No.** Go to Step 2

Step 2 Investment Income

1 Add the amounts from Form 1040:

Line 8a

Line 8b

Line 9a

Line 13*

Investment Income

*Do not include if line 13 is a loss

2 Is your investment income more than \$3,700?

- ☐ **Yes.** Continue
- ☐ **No.** Skip question 3, go to question 4

3 Are you filing Form 4797 (relating to sales of business property)?

- ☐ **Yes.** See Form 4797
- ☐ **No.** **Stop** You cannot take the credit.

4 Do any of the following apply for 2005?

- You are filing Schedule E.
- You are reporting income or a loss from the rental of personal property not used in a trade or business.
- You are reporting income on Form 1040, line 21, from Form 8814 (relating to election to report child's interest and dividends).

- ☐ **Yes.** You must use Worksheet 1 in Pub 596 to see if you can take the credit. To get Pub 596, see page 7.
- ☐ **No.** Continue

5 Did a child live with you in 2005?

- ☐ **Yes.** Go to Step 3
- ☐ **No.** Go to Step 4 on page 46

Lines 66a and 66b—**Earned Income Credit (EIC)****What Is the EIC?**

The EIC is a credit for certain people who work. The credit may give you a refund even if you do not owe any tax.



TIP You may be able to elect to use your 2004 earned income to figure your EIC if (a) your 2004 earned income is more than your 2005 earned income, and (b) your main home was in the Hurricane Katrina disaster area on August 25, 2005. Also, special rules may apply for people who had to relocate because of Hurricane Katrina. For details, see Pub 4492.

To Take the EIC:

- Follow the steps below.
 - Complete the worksheet that applies to you or let the IRS figure the credit for you.
 - If you have a qualifying child, complete and attach Schedule EIC.
- For help in determining if you are eligible for the EIC, go to www.irs.gov/efc and click on "EIC Assistant." This service is available in English and Spanish.



CAUTION If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years, even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. See Form 8862, Who must file, on page 48. You may also have to pay penalties.

Step 1 All Filers

- 1 If, in 2005:
- children lived with you, is the amount on Form 1040, line 38, less than \$35,263 (\$37,263 if married filing jointly)?
 - child lived with you, is the amount on Form 1040, line 38, less than \$31,030 (\$33,030 if married filing jointly)?
 - No children lived with you, is the amount on Form 1040, line 38, less than \$11,750 (\$13,750 if married filing jointly)?

- ☐ **Yes.** Continue
- ☐ **No.** **Stop** You cannot take the credit.

2 Do you, and your spouse if filing a joint return, have a social security number that allows you to work or is valid for EIC purposes (see page 48)?

- ☐ **Yes.** Go to question 3
- ☐ **No.** **Stop** You cannot take the credit. Put "No" on the dotted line next to line 66.

- 45 - Need more information or forms? See page 7.

- 46 - Need more information or forms? See page 7.

Form 1040—Lines 66a and 66b

Continued from page 46

Step 5 Earned Income

- 1 Are you filing Schedule SE because you were a member of the clergy or you had church employee income or are you filing Schedule C or C-EZ as a statutory employee?

☐ **Yes.** See Clergy or Church employees, whichever applies, on this page. ☐ **No.** Continue

- 2 Figure earned income

Form 1040, line 7

Subtract, if included on line 7, any

- Taxable scholarship or fellowship grant not reported on a Form W-2
- Amount received for work performed while an inmate in a penal institution (put "PRI" and the amount subtracted on the dotted line next to Form 1040, line 7)

- Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (put "DFC" and the amount subtracted on the dotted line next to Form 1040, line 7). This amount may be shown in Form W-2, box 11. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity.

Add all of your nontaxable combat pay if you elect to include it in earned income. Also enter this amount on Form 1040, line 66b. See **Combat pay, Nontaxable** on this page.



Electing to include nontaxable combat pay may increase or decrease your EIC. Figure the credit with and without your nontaxable combat pay before making the election.

Earned Income* =

*You may be able to elect to use your 2004 earned income to figure your EIC if (a) your 2004 earned income is more than your 2005 earned income, and (b) your main home was in the Hurricane Katrina disaster area on August 25, 2005. For details, see Pub. 4492. If you make this election, skip question 3 and go to question 4.



Electing to use your 2004 earned income may increase or decrease your EIC. Figure the credit using your 2005 earned income. Then figure the credit using your 2004 earned income. Compare the two amounts before making the election.

Credit figured by the IRS. To have the IRS figure your EIC

- Put "EIC" on the dotted line next to Form 1040, line 66a.
- Be sure you enter the nontaxable combat pay you elect to include in earned income on Form 1040, line 66b. See **Combat pay, Nontaxable** on page 47.
- If you have a qualifying child, complete and attach Schedule EIC. If your EIC for a year after 1996 was reduced or disallowed, see Form 8862, **Who must file below**.

Exception to time lived with you. A child is considered to have lived with you for all of 2005 if the child was born or died in 2005 and your home was that child's home for the entire time he or she was alive in 2005. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility, count as time lived at home. Also see **Kidnaped child** on page 21 or **Members of the military** below.

Form 4797 filers. If the amount on Form 1040, line 13, includes an amount from Form 4797, you must use Worksheet 1 in Pub. 596 to see if you can take the EIC. To get Pub. 596, see page 7. Otherwise, stop; you cannot take the EIC.

Form 8862. Who must file. You must file Form 8862 if your EIC for a year after 1996 was reduced or disallowed for any reason other than a math or clerical error. But do not file Form 8862 if either of the following applies:

- You filed Form 8862 for another year; the EIC was allowed for that year, and your EIC has not been reduced or disallowed again for any reason other than a math or clerical error.
- You are taking the EIC without a qualifying child and the only reason your EIC was reduced or disallowed in the other year was because it was determined that a child listed on Schedule EIC was not your qualifying child. Also, do not file Form 8862, or take the credit for the:
 - 2 years after the most recent tax year for which there was a final determination that your EIC was reduced or disallowed due to reckless or intentional disregard of the EIC rules, or
 - 10 years after the most recent tax year for which there was a final determination that your EIC was reduced or disallowed due to fraud.

Foster child. A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. For more details on authorized placement agencies, see Pub. 596.

Married child. A child who was married at the end of 2005 is a qualifying child only if (a) you can claim him or her as your dependent on Form 1040, line 6c, or (b) you could have claimed him or her as your dependent except for the rules for **Children of divorced or separated parents** on page 20.

Members of the military. If you were on extended active duty outside the United States, your home is considered to be in the United States during that duty period. Extended active duty is military duty ordered for an indefinite period or for a period of more than 90 days. Once you begin serving extended active duty, you are considered to be on extended active duty even if you serve fewer than 90 days.

Nonresident aliens. If your filing status is married filing jointly, go to Step 2 on page 45. Otherwise, stop; you cannot take the EIC.

Permanently and totally disabled. A person who, at any time in 2005, cannot engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition (a) has lasted or can be expected to last continuously for at least a year, or (b) can be expected to lead to death.

Qualifying child of more than one person. If the child is the qualifying child of more than one person, only one person can claim the child as a qualifying child for all of the following tax benefits, unless the rules for **Children of divorced or separated parents** on page 20 apply:

- 1 Dependency exemption (line 6c)
- 2 Child tax credits (lines 52 and 68)
- 3 Head of household filing status (line 4)
- 4 Credit for child and dependent care expenses (line 48)
- 5 Earned income credit (lines 66a and 66b)

No other person can take any of the five tax benefits listed above unless he or she has a different qualifying child. If you and any other person claim the child as a qualifying child, the IRS will apply the following rules:

- If only one of the persons is the child's parent, the child will be treated as the qualifying child of the parent.
- If two of the persons are the child's parents, the child will be treated as the qualifying child of the parent with whom the child lived for the longer period of time in 2005. If the child lived with each parent for the same amount of time, the child will be treated as the qualifying child of the parent who had the higher adjusted gross income (AGI) for 2005.
- If none of the persons is the child's parent, the child will be treated as the qualifying child of the person who had the highest AGI for 2005.

Example. Your daughter meets the conditions to be a qualifying child for both you and your mother. If you and your mother both claim tax benefits based on the child, the rules above apply. Under these rules, you are entitled to treat your daughter as a qualifying child for any of the five tax benefits listed above for which you otherwise qualify. Your mother would not be entitled to take any of the five tax benefits listed above unless she has a different qualifying child.

If you will not be taking the EIC with a qualifying child, put "No" on the dotted line next to line 66a. Otherwise, go to Step 3, question 1, on page 46.

Social security number (SSN). For the EIC, a valid SSN is a number issued by the Social Security Administration unless "Not Valid for Employment" is printed on the social security card and the number was issued solely to apply for or receive a federally funded benefit.

To find out how to get an SSN, see page 16. If you will not have an SSN by April 17, 2006, see **What if You Cannot File on Time?** on page 12.

Student. A child who during any part of 5 calendar months of 2005 was enrolled as a full-time student at a school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or internet school.

Welfare benefits. Effect of credit on. Any refund you receive as a result of taking the EIC will not be used to determine if you are eligible for the following programs or how much you can receive from them. But if the refund you receive because of the EIC is not spent within a certain period of time, it can count as an asset (or resource) and affect your eligibility:

- Temporary Assistance for Needy Families (TANF)
- Medicaid and supplemental security income (SSI)
- Food stamps and low-income housing



Keep for Your Records

Worksheet A—Earned Income Credit (EIC)—Lines 66a and 66b**Before you begin:**

✓ Be sure you are using the correct worksheet. Use this worksheet only if you answered "No" to Step 3, question 3, on page 47, or you elect to use your 2004 earned income to figure your EIC (see page 47). Otherwise, use Worksheet B that begins on page 50.

Part 1

1. Enter your earned income from Step 3 on page 47. But if you elect to use your 2004 earned income (see page 47), enter that amount instead.

 1
All Filers Using Worksheet A

2. Look up the amount on line 1 above in the EIC Table on pages 52–58 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.

 2

If line 2 is zero,  You cannot take the credit. Put "No" on the dotted line next to line 66a.

3. Enter the amount from Form 1040, line 38.

 3

4. Are the amounts on lines 3 and 1 the same?

- ☐ **Yes.** Skip line 5; enter the amount from line 2 on line 6.
☐ **No.** Go to line 5.

5. If you have

- No qualifying children, is the amount on line 3 less than \$6,550 (\$8,550 if married filing jointly)?
 - 1 or more qualifying children, is the amount on line 3 less than \$14,400 (\$16,400 if married filing jointly)?
- ☐ **Yes.** Leave line 5 blank; enter the amount from line 2 on line 6.
☐ **No.** Look up the amount on line 3 in the EIC Table on pages 52–58 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.

 5


Look at the amounts on lines 5 and 2. Then, enter the smaller amount on line 6.

Part 3**Your Earned Income Credit**

6. **This is your earned income credit.** If you elect to use your 2004 earned income (see page 47), enter "p/EI" and the amount of your 2004 earned income on the dotted line next to line 66a.

 6
 Enter this amount on Form 1040, line 66a
Reminder—

✓ If you have a qualifying child, complete and attach Schedule EIC.

 **CAUTION** If your EIC for a year after 1996 was reduced or disallowed, see page 48 to find out if you must file Form 8862 to take the credit for 2005.



Keep for Your Records

Worksheet B—Earned Income Credit (EIC)—Lines 66a and 66b

Use this worksheet if you answered "Yes" to Step 3, question 3, on page 47, and you do not elect to use your 2004 earned income to figure your EIC (see page 47).

- ✓ Complete the parts below (Parts 1 through 3) that apply to you. Then, continue to Part 4.
 ✓ If you are married filing a joint return, include your spouse's amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

Part 1

1a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies.

 1a
Self-Employed, Members of the Clergy, and People With Church With Income Filing Schedule SE

b. Enter any amount from Schedule SE, Section B, line 4b, and line 5a.

 1b

c. Combine lines 1a and 1b.

 1c

d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.

 1d

e. Subtract line 1d from 1c.

 1e
Part 2

2. Do not include on these lines any statutory employee income or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.

Self-Employed NOT Required To File Schedule SE

a. Enter any net farm profit or (loss) from Schedule F, line 3e, and from farm partnerships, Schedule K-1 (Form 1065), box 14, code A*.

 2a

b. Enter any net profit or (loss) from Schedule C, line 31, Schedule C-EZ, line 3, Schedule K-1 (Form 1065), box 14, code A (other than farming), and Schedule K-1 (Form 1065-B), box 9*.

 2b

For example, your net earnings from self-employment were less than \$400.

c. Combine lines 2a and 2b.

 2c

*Reduce any Schedule K-1 amounts by any partnership section 179 expense deduction claimed, unamortized partnership expenses claimed, and depletion claimed on oil and gas properties. If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Put your name and social security number on Schedule SE and attach it to your return.

Part 3**Statutory Employees Filing Schedule C or C-EZ**

3. Enter the amount from Schedule C, line 1, or Schedule C-EZ, line 1, that you are filing as a statutory employee.

 3
Part 4**All Filers Using Worksheet B**

4a. Enter your earned income from Step 3 on page 47.

 4a

b. Combine lines 1a, 2c, 3, and 4a. **This is your total earned income.**

 4b

If line 4b is zero or less,  You cannot take the credit. Put "No" on the dotted line next to line 66a.

5. If you have

- 2 or more qualifying children, is line 4b less than \$35,263 (\$37,263 if married filing jointly)?
- 1 qualifying child, is line 4b less than \$31,030 (\$33,030 if married filing jointly)?
- No qualifying children, is line 4b less than \$11,550 (\$13,550 if married filing jointly)?

☐ **Yes.** If you want the IRS to figure your credit, see page 48. If you want to figure the credit yourself, enter the amount from line 4b on line 6 (page 51).

☐ **No.**  You cannot take the credit. Put "No" on the dotted line next to line 66a.

Form 1040—Lines 66a and 66b

Keep for Your Records

Worksheet B—Continued from page 50

Part 5

All Filers Using Worksheet B

6. Enter your total earned income from Part 4, line 4b, 6 on page 50.

7. Look up the amount on line 6 above in the EIC Table on pages 52–58 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.

If line 7 is zero, (509) You cannot take the credit.
Put "No" on the dotted line next to line 6a.

8. Enter the amount from Form 1040, line 38, 8.

9. Are the amounts on lines 8 and 6 the same?

- ☐ Yes. Skip line 10; enter the amount from line 7 on line 11.
☐ No. Go to line 10.

Part 6

Filers Who Answered "No" on Line 9

10. If you have:
• No qualifying children, is the amount on line 8 less than \$5,550 (\$5,550 if married filing jointly)?
• 1 or more qualifying children, is the amount on line 8 less than \$14,400 (\$16,400 if married filing jointly)?
☐ Yes. Leave line 10 blank; enter the amount from line 7 on line 11.
☐ No. Look up the amount on line 8 in the EIC Table on pages 52–58 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.
Look at the amounts on lines 10 and 7.
Then, enter the **smaller** amount on line 11.

Part 7

Your Earned Income Credit

Reminder—

✓ If you have a qualifying child, complete and attach Schedule EIC Form 1040, line 66a.

CAUTION If your EIC for a year after 1995 was reduced or disallowed, see page 48 to find out if you must file Form 8862 to take the credit for 2005.

2005 Earned Income Credit (EIC) Table

Caution. This is not a tax table.

1. To find your credit, read down the "At least" column that includes your filing status and the number of qualifying children you have. Enter the amount from that column on your EIC Worksheet.
2. Then, go to the column that includes your filing status and the number of qualifying children you are looking up from your EIC Worksheet. It is \$2,455 you would enter \$942.

If the amount you are looking up from the worksheet is—		And your filing status is—		If the amount you are looking up from the worksheet is—		And your filing status is—		If the amount you are looking up from the worksheet is—		And your filing status is—		If the amount you are looking up from the worksheet is—		And your filing status is—	
At least	But less than	Single, head of household, or qualifying widow(er) you have—	Married filing jointly and you have—	At least	But less than	Single, head of household, or qualifying widow(er) you have—	Married filing jointly and you have—	At least	But less than	Single, head of household, or qualifying widow(er) you have—	Married filing jointly and you have—	At least	But less than	Single, head of household, or qualifying widow(er) you have—	Married filing jointly and you have—
No children	One child	Two children	No children	One child	Two children	No children	One child	No children	One child	Two children	No children	One child	Two children	No children	One child
\$1	\$2	\$3	\$4	\$5	\$6	\$7	\$8	\$9	\$10	\$11	\$12	\$13	\$14	\$15	\$16
50	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800
850	900	950	1,000	1,050	1,100	1,150	1,200	1,250	1,300	1,350	1,400	1,450	1,500	1,550	1,600
1,650	1,700	1,750	1,800	1,850	1,900	1,950	2,000	2,050	2,100	2,150	2,200	2,250	2,300	2,350	2,400
2,450	2,500	2,550	2,600	2,650	2,700	2,750	2,800	2,850	2,900	2,950	3,000	3,050	3,100	3,150	3,200
3,250	3,300	3,350	3,400	3,450	3,500	3,550	3,600	3,650	3,700	3,750	3,800	3,850	3,900	3,950	4,000
4,050	4,100	4,150	4,200	4,250	4,300	4,350	4,400	4,450	4,500	4,550	4,600	4,650	4,700	4,750	4,800
4,850	4,900	4,950	5,000	5,050	5,100	5,150	5,200	5,250	5,300	5,350	5,400	5,450	5,500	5,550	5,600
5,650	5,700	5,750	5,800	5,850	5,900	5,950	6,000	6,050	6,100	6,150	6,200	6,250	6,300	6,350	6,400
6,450	6,500	6,550	6,600	6,650	6,700	6,750	6,800	6,850	6,900	6,950	7,000	7,050	7,100	7,150	7,200
7,250	7,300	7,350	7,400	7,450	7,500	7,550	7,600	7,650	7,700	7,750	7,800	7,850	7,900	7,950	8,000
8,050	8,100	8,150	8,200	8,250	8,300	8,350	8,400	8,450	8,500	8,550	8,600	8,650	8,700	8,750	8,800
8,850	8,900	8,950	9,000	9,050	9,100	9,150	9,200	9,250	9,300	9,350	9,400	9,450	9,500	9,550	9,600
9,650	9,700	9,750	9,800	9,850	9,900	9,950	10,000	10,050	10,100	10,150	10,200	10,250	10,300	10,350	10,400
10,450	10,500	10,550	10,600	10,650	10,700	10,750	10,800	10,850	10,900	10,950	11,000	11,050	11,100	11,150	11,200
11,250	11,300	11,350	11,400	11,450	11,500	11,550	11,600	11,650	11,700	11,750	11,800	11,850	11,900	11,950	12,000
12,050	12,100	12,150	12,200	12,250	12,300	12,350	12,400	12,450	12,500	12,550	12,600	12,650	12,700	12,750	12,800
12,850	12,900	12,950	13,000	13,050	13,100	13,150	13,200	13,250	13,300	13,350	13,400	13,450	13,500	13,550	13,600
13,650	13,700	13,750	13,800	13,850	13,900	13,950	14,000	14,050	14,100	14,150	14,200	14,250	14,300	14,350	14,400
14,450	14,500	14,550	14,600	14,650	14,700	14,750	14,800	14,850	14,900	14,950	15,000	15,050	15,100	15,150	15,200
15,250	15,300	15,350	15,400	15,450	15,500	15,550	15,600	15,650	15,700	15,750	15,800	15,850	15,900	15,950	16,000
16,050	16,100	16,150	16,200	16,250	16,300	16,350	16,400	16,450	16,500	16,550	16,600	16,650	16,700	16,750	16,800
16,850	16,900	16,950	17,000	17,050	17,100	17,150	17,200	17,250	17,300	17,350	17,400	17,450	17,500	17,550	17,600
17,650	17,700	17,750	17,800	17,850	17,900	17,950	18,000	18,050	18,100	18,150	18,200	18,250	18,300	18,350	18,400
18,450	18,500	18,550	18,600	18,650	18,700	18,750	18,800	18,850	18,900	18,950	19,000	19,050	19,100	19,150	19,200
19,250	19,300	19,350	19,400	19,450	19,500	19,550	19,600	19,650	19,700	19,750	19,800	19,850	19,900	19,950	20,000

(Continued on page 53)

2005 Earned Income Credit (EIC) Table—Continued

(Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—	And your filing status is—				If the amount you are looking up from the worksheet is—	And your filing status is—				If the amount you are looking up from the worksheet is—	And your filing status is—				If the amount you are looking up from the worksheet is—	And your filing status is—				
	At least	But less than	No children	One child		At least	But less than	No children	One child		At least	But less than	No children	One child		At least	But less than	No children	One child	
5,500	5,500	5,500	398	1,878	2,210	8,500	8,500	247	2,662	3,410	11,500	11,500	17	2,662	4,400	15,100	15,100	0	2,662	4,400
5,600	5,600	5,600	398	1,896	2,230	8,550	8,550	247	2,662	3,410	11,550	11,550	17	2,662	4,400	15,150	15,150	0	2,662	4,400
5,650	5,650	5,650	399	1,913	2,250	8,600	8,600	247	2,662	3,410	11,600	11,600	17	2,662	4,400	15,200	15,200	0	2,662	4,400
5,700	5,700	5,700	399	1,930	2,270	8,650	8,650	247	2,662	3,410	11,650	11,650	17	2,662	4,400	15,250	15,250	0	2,662	4,400
5,750	5,750	5,750	399	1,947	2,290	8,700	8,700	247	2,662	3,410	11,700	11,700	17	2,662	4,400	15,300	15,300	0	2,662	4,400
5,800	5,800	5,800	399	1,964	2,310	8,750	8,750	248	2,662	3,410	11,750	11,750	17	2,662	4,400	15,350	15,350	0	2,662	4,400
5,850	5,850	5,850	399	1,981	2,330	8,800	8,800	248	2,662	3,410	11,800	11,800	17	2,662	4,400	15,400	15,400	0	2,662	4,400
5,900	5,900	5,900	399	1,998	2,350	8,850	8,850	248	2,662	3,410	11,850	11,850	17	2,662	4,400	15,450	15,450	0	2,662	4,400
5,950	5,950	5,950	399	2,015	2,370	8,900	8,900	248	2,662	3,410	11,900	11,900	17	2,662	4,400	15,500	15,500	0	2,662	4,400
6,000	6,000	6,000	399	2,032	2,390	8,950	8,950	248	2,662	3,410	11,950	11,950	17	2,662	4,400	15,550	15,550	0	2,662	4,400
6,050	6,050	6,050	399	2,049	2,410	9,000	9,000	248	2,662	3,410	12,000	12,000	17	2,662	4,400	15,600	15,600	0	2,662	4,400
6,100	6,100	6,100	399	2,066	2,430	9,050	9,050	248	2,662	3,410	12,050	12,050	17	2,662	4,400	15,650	15,650	0	2,662	4,400
6,150	6,150	6,150	399	2,083	2,450	9,100	9,100	248	2,662	3,410	12,100	12,100	17	2,662	4,400	15,700	15,700	0	2,662	4,400
6,200	6,200	6,200	399	2,100	2,470	9,150	9,150	248	2,662	3,410	12,150	12,150	17	2,662	4,400	15,750	15,750	0	2,662	4,400
6,250	6,250	6,250	399	2,117	2,490	9,200	9,200	248	2,662	3,410	12,200	12,200	17	2,662	4,400	15,800	15,800	0	2,662	4,400
6,300	6,300	6,300	399	2,134	2,510	9,250	9,250	248	2,662	3,410	12,250	12,250	17	2,662	4,400	15,850	15,850	0	2,662	4,400
6,350	6,350	6,350	399	2,151	2,530	9,300	9,300	248	2,662	3,410	12,300	12,300	17	2,662	4,400	15,900	15,900	0	2,662	4,400
6,400	6,400	6,400	399	2,168	2,550	9,350	9,350	248	2,662	3,410	12,350	12,350	17	2,662	4,400	15,950	15,950	0	2,662	4,400
6,450	6,450	6,450	399	2,185	2,570	9,400	9,400	248	2,662	3,410	12,400	12,400	17	2,662	4,400	16,000	16,000	0	2,662	4,400
6,500	6,500	6,500	399	2,202	2,590	9,450	9,450	248	2,662	3,410	12,450	12,450	17	2,662	4,400	16,050	16,050	0	2,662	4,400
6,550	6,550	6,550	399	2,219	2,610	9,500	9,500	248	2,662	3,410	12,500	12,500	17	2,662	4,400	16,100	16,100	0	2,662	4,400
6,600	6,600	6,600	399	2,236	2,630	9,550	9,550	248	2,662	3,410	12,550	12,550	17	2,662	4,400	16,150	16,150	0	2,662	4,400
6,650	6,650	6,650	399	2,253	2,650	9,600	9,600	248	2,662	3,410	12,600	12,600	17	2,662	4,400	16,200	16,200	0	2,662	4,400
6,700	6,700	6,700	399	2,270	2,670	9,650	9,650	248	2,662	3,410	12,650	12,650	17	2,662	4,400	16,250	16,250	0	2,662	4,400
6,750	6,750	6,750	399	2,287	2,690	9,700	9,700	248	2,662	3,410	12,700	12,700	17	2,662	4,400	16,300	16,300	0	2,662	4,400
6,800	6,800	6,800	399	2,304	2,710	9,750	9,750	248	2,662	3,410	12,750	12,750	17	2,662	4,400	16,350	16,350	0	2,662	4,400
6,850	6,850	6,850	399	2,321	2,730	9,800	9,800	248	2,662	3,410	12,800	12,800	17	2,662	4,400	16,400	16,400	0	2,662	4,400
6,900	6,900	6,900	399	2,338	2,750	9,850	9,850	248	2,662	3,410	12,850	12,850	17	2,662	4,400	16,450	16,450	0	2,662	4,400
6,950	6,950	6,950	399	2,355	2,770	9,900	9,900	248	2,662	3,410	12,900	12,900	17	2,662	4,400	16,500	16,500	0	2,662	4,400
7,000	7,000	7,000	399	2,372	2,790	9,950	9,950	248	2,662	3,410	12,950	12,950	17	2,662	4,400	16,550	16,550	0	2,662	4,400
7,050	7,050	7,050	399	2,389	2,810	10,000	10,000	248	2,662	3,410	13,000	13,000	17	2,662	4,400	16,600	16,600	0	2,662	4,400
7,100	7,100	7,100	399	2,406	2,830	10,050	10,050	248	2,662	3,410	13,050	13,050	17	2,662	4,400	16,650	16,650	0	2,662	4,400
7,150	7,150	7,150	399	2,423	2,850	10,100	10,100	248	2,662	3,410	13,100	13,100	17	2,662	4,400	16,700	16,700	0	2,662	4,400
7,200	7,200	7,200	399	2,440	2,870	10,150	10,150	248	2,662	3,410	13,150	13,150	17	2,662	4,400	16,750	16,750	0	2,662	4,400
7,250	7,250	7,250	399	2,457	2,890	10,200	10,200	248	2,662	3,410	13,200	13,200	17	2,662	4,400	16,800	16,800	0	2,662	4,400
7,300	7,300	7,300	399	2,474	2,910	10,250	10,250	248	2,662	3,410	13,250	13,250	17	2,662	4,400	16,850	16,850	0	2,662	4,400
7,350	7,350	7,350	399	2,491	2,930	10,300	10,300	248	2,662	3,410	13,300	13,300	17	2,662	4,400	16,900	16,900	0	2,662	4,400
7,400	7,400	7,400	399	2,508	2,950	10,350	10,350	248	2,662	3,410	13,350	13,350	17	2,662	4,400	16,950	16,950	0	2,662	4,400
7,450	7,450	7,450	399	2,525	2,970	10,400	10,400	248	2,662	3,410	13,400	13,400	17	2,662	4,400	17,000	17,000	0	2,662	4,400
7,500	7,500	7,500	399	2,542	2,990	10,450	10,450	248	2,662	3,410	13,450	13,450	17	2,662	4,400	17,050	17,050	0	2,662	4,400
7,550	7,550	7,550	399	2,559	3,010	10,500	10,500	248	2,662	3,410	13,500	13,500	17	2,662	4,400	17,100	17,100	0	2,662	4,400
7,600	7,600	7,600	399	2,576	3,030	10,550	10,550	248	2,662	3,410	13,550	13,550	17	2,662	4,400	17,150	17,150	0	2,662	4,400
7,650	7,650	7,650	399	2,593	3,050	10,600	10,600	248	2,662	3,410	13,600	13,600	17	2,662	4,400	17,200	17,200	0	2,662	4,400
7,700	7,700	7,700	399	2,610	3,070	10,650	10,650	248	2,662	3,410	13,650	13,650	17	2,662	4,400	17,250	17,250	0	2,662	4,400
7,750	7,750	7,750	399	2,627	3,090	10,700	10,700	248	2,662	3,410	13,700	13,700	17	2,662	4,400	17,300	17,300	0	2,662	4,400
7,800	7,800	7,800	399	2,644	3,110	10,750	10,750	248	2,662	3,410	13,750	13,750	17	2,662	4,400	17,350	17,350	0	2,662	4,400
7,850	7,850	7,850	399	2,661	3,130	10,800	10,800	248	2,662	3,410	13,800	13,800	17	2,662	4,400	17,400	17,400	0	2,662	4,400
7,900	7,900	7,900	399	2,678	3,150	10,850	10,850	248	2,662	3,410	13,850	13,850	17	2,662	4,400	17,450	17,450	0	2,662	4,400
7,950	7,950	7,950	399	2,695	3,170	10,900	10,900	248	2,662	3,410	13,900	13,900	17	2,662	4,400	17,500	17,500	0	2,662	4,400
8,000	8,000	8,000	399	2,712	3,190	10,950	10,950	248	2,662	3,410	13,950	13,950	17	2,662	4,400	17,550	17,550	0	2,662	4,400
8,050	8,050	8,050	399	2,729	3,210	11,000	11,000	248	2,662	3,410	14,000	14,000	17	2,662	4,400	17,600	17,600	0	2,662	4,400
8,100	8,100	8,100	399	2,746	3,230	11,050	11,050	248	2,662	3,410	14,050	14,050	17	2,662	4,400	17,650	17,650	0	2,662	4,400
8,150	8,150	8,150	399	2,763	3,250	11,100	11,100	248	2,662	3,410	14,100	14,100	17	2,662	4,400	17,700	17,700	0	2,662	4,400
8,200	8,200	8,200	399	2,780	3,270	11,150	11,150	248	2,662	3,410	14,150	14,150	17	2,662	4,400	17,750	17,750	0	2,662	4,400
8,250	8,250	8,250	399	2,797	3,290	11,200	11,200	248	2,662	3,410	14,200	14,200	17	2,662	4,400	17,800	17,800	0	2,662	4,400
8,300	8,300	8,300	399	2,814	3,310	11,250	11,250	248	2,662	3,410	14,250	14,250	17	2,662	4,400	17,850	17,850	0	2,662	4,400
8,350																				

2005 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—	And your filing status—				If the amount you are looking up from the worksheet is—	And your filing status—										
	Single, head of household, or qualifying widow(er) you have—		Married filing jointly and you have—			Single, head of household, or qualifying widow(er) you have—		Married filing jointly and you have—								
	No children	One child	Two children	Your credit is—		No children	One child	Two children	Your credit is—	No children	One child	Two children	Your credit is—			
At least	But less than				At least	But less than			At least	But less than			At least	But less than		
24,100	24,150	0	1,103	2,346	0	1,423	2,767	27,150	27,200	0	624	1,714	0	944	2,135	
24,150	24,200	0	1,095	2,355	0	1,415	2,756	27,200	27,250	0	616	1,703	0	936	2,124	
24,200	24,250	0	1,087	2,365	0	1,407	2,746	27,250	27,300	0	608	1,693	0	928	2,114	
24,250	24,300	0	1,079	2,374	0	1,399	2,735	27,300	27,350	0	600	1,682	0	920	2,103	
24,300	24,350	0	1,071	2,393	0	1,391	2,725	27,350	27,400	0	592	1,672	0	912	2,093	
24,350	24,400	0	1,063	2,293	0	1,383	2,714	27,400	27,450	0	584	1,661	0	904	2,082	
24,400	24,450	0	1,055	2,282	0	1,375	2,704	27,450	27,500	0	576	1,651	0	896	2,072	
24,450	24,500	0	1,047	2,272	0	1,367	2,693	27,500	27,550	0	568	1,640	0	888	2,061	
24,500	24,550	0	1,039	2,261	0	1,359	2,683	27,550	27,600	0	560	1,630	0	880	2,051	
24,550	24,600	0	1,031	2,251	0	1,351	2,672	27,600	27,650	0	552	1,619	0	872	2,040	
24,600	24,650	0	1,023	2,240	0	1,343	2,661	27,650	27,700	0	544	1,608	0	864	2,030	
24,650	24,700	0	1,015	2,230	0	1,335	2,651	27,700	27,750	0	536	1,598	0	856	2,019	
24,700	24,750	0	1,007	2,219	0	1,327	2,640	27,750	27,800	0	528	1,587	0	848	2,009	
24,750	24,800	0	999	2,209	0	1,319	2,630	27,800	27,850	0	520	1,577	0	840	1,998	
24,800	24,850	0	991	2,198	0	1,311	2,618	27,850	27,900	0	512	1,566	0	832	1,988	
24,850	24,900	0	984	2,188	0	1,303	2,608	27,900	27,950	0	504	1,556	0	824	1,977	
24,900	24,950	0	976	2,177	0	1,295	2,598	27,950	28,000	0	496	1,545	0	816	1,967	
24,950	25,000	0	968	2,167	0	1,287	2,588	28,000	28,050	0	488	1,535	0	808	1,956	
25,000	25,050	0	960	2,156	0	1,279	2,577	28,050	28,100	0	480	1,524	0	800	1,945	
25,050	25,100	0	952	2,146	0	1,271	2,567	28,100	28,150	0	472	1,514	0	792	1,935	
25,100	25,150	0	944	2,135	0	1,263	2,556	28,150	28,200	0	464	1,503	0	784	1,924	
25,150	25,200	0	936	2,124	0	1,255	2,545	28,200	28,250	0	456	1,493	0	776	1,913	
25,200	25,250	0	928	2,114	0	1,247	2,535	28,250	28,300	0	448	1,482	0	768	1,903	
25,250	25,300	0	920	2,103	0	1,239	2,524	28,300	28,350	0	440	1,472	0	760	1,893	
25,300	25,350	0	912	2,093	0	1,231	2,514	28,350	28,400	0	432	1,461	0	752	1,882	
25,350	25,400	0	904	2,082	0	1,223	2,504	28,400	28,450	0	424	1,451	0	744	1,872	
25,400	25,450	0	896	2,072	0	1,215	2,493	28,450	28,500	0	416	1,440	0	736	1,861	
25,450	25,500	0	888	2,061	0	1,207	2,482	28,500	28,550	0	408	1,429	0	728	1,851	
25,500	25,550	0	880	2,051	0	1,199	2,472	28,550	28,600	0	400	1,419	0	720	1,840	
25,550	25,600	0	872	2,040	0	1,191	2,461	28,600	28,650	0	392	1,408	0	712	1,830	
25,600	25,650	0	864	2,030	0	1,183	2,451	28,650	28,700	0	384	1,398	0	704	1,819	
25,650	25,700	0	856	2,019	0	1,175	2,440	28,700	28,750	0	376	1,387	0	696	1,809	
25,700	25,750	0	848	2,008	0	1,167	2,430	28,750	28,800	0	368	1,377	0	688	1,798	
25,750	25,800	0	840	1,998	0	1,159	2,419	28,800	28,850	0	360	1,366	0	680	1,788	
25,800	25,850	0	832	1,988	0	1,151	2,409	28,850	28,900	0	352	1,356	0	672	1,777	
25,850	25,900	0	824	1,977	0	1,143	2,398	28,900	28,950	0	344	1,345	0	664	1,766	
25,900	25,950	0	816	1,967	0	1,135	2,388	28,950	29,000	0	336	1,335	0	656	1,756	
25,950	26,000	0	808	1,956	0	1,127	2,377	29,000	29,050	0	328	1,324	0	648	1,745	
26,000	26,050	0	800	1,945	0	1,119	2,366	29,050	29,100	0	320	1,314	0	640	1,735	
26,050	26,100	0	792	1,935	0	1,111	2,355	29,100	29,150	0	312	1,303	0	632	1,724	
26,100	26,150	0	784	1,924	0	1,103	2,345	29,150	29,200	0	304	1,293	0	624	1,714	
26,150	26,200	0	776	1,914	0	1,095	2,335	29,200	29,250	0	296	1,282	0	616	1,703	
26,200	26,250	0	768	1,903	0	1,087	2,325	29,250	29,300	0	288	1,272	0	608	1,693	
26,250	26,300	0	760	1,893	0	1,079	2,314	29,300	29,350	0	280	1,261	0	600	1,682	
26,300	26,350	0	752	1,882	0	1,071	2,303	29,350	29,400	0	272	1,250	0	592	1,672	
26,350	26,400	0	744	1,871	0	1,063	2,293	29,400	29,450	0	264	1,240	0	584	1,661	
26,400	26,450	0	736	1,861	0	1,055	2,282	29,450	29,500	0	256	1,229	0	576	1,651	
26,450	26,500	0	728	1,851	0	1,047	2,272	29,500	29,550	0	248	1,219	0	568	1,640	
26,500	26,550	0	720	1,840	0	1,039	2,261	29,550	29,600	0	240	1,208	0	560	1,630	
26,550	26,600	0	712	1,830	0	1,031	2,251	29,600	29,650	0	232	1,198	0	552	1,619	
26,600	26,650	0	704	1,819	0	1,023	2,240	29,650	29,700	0	224	1,187	0	544	1,609	
26,650	26,700	0	696	1,809	0	1,015	2,230	29,700	29,750	0	216	1,177	0	536	1,598	
26,700	26,750	0	688	1,798	0	1,007	2,219	29,750	29,800	0	208	1,166	0	528	1,587	
26,750	26,800	0	680	1,788	0	999	2,209	29,800	29,850	0	200	1,156	0	520	1,577	
26,800	26,850	0	672	1,777	0	991	2,198	29,850	29,900	0	192	1,145	0	512	1,566	
26,850	26,900	0	664	1,766	0	984	2,188	29,900	29,950	0	185	1,135	0	504	1,556	
26,900	26,950	0	656	1,756	0	976	2,177	29,950	30,000	0	177	1,124	0	496	1,545	
26,950	27,000	0	648	1,745	0	968	2,167	29,950	30,050	0	169	1,114	0	488	1,535	
27,000	27,050	0	640	1,735	0	960	2,156	30,000	30,050	0	161	1,103	0	480	1,524	
27,050	27,100	0	632	1,724	0	952	2,145	30,050	30,100	0	153	1,093	0	472	1,514	

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Need more information or forms? See page 7.

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2005 Earned Income Credit (EIC) Table—Continued

If the amount you are looking up from the worksheet is—	And your filing status is—					And your filing status is—					And your filing status is—					
	Married filing jointly and you have—					Married filing jointly and you have—					Married filing jointly and you have—					
	Single no children	Head of household one child	Qualifying widower one child	Two children	One child and two children	Single no children	Head of household one child	Qualifying widower one child	Two children	One child and two children	Single no children	Head of household one child	Qualifying widower one child	Two children	One child and two children	
At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	
18,100	18,150	0	2,062	3,609	0	2,062	3,609	0	2,062	4,000	0	1,583	2,977	0	1,902	3,399
18,150	18,200	0	2,094	3,689	0	2,094	3,689	0	2,126	4,000	0	1,583	2,977	0	1,984	3,598
18,200	18,250	0	2,126	3,769	0	2,126	3,769	0	2,158	4,080	0	1,583	2,977	0	2,066	3,797
18,250	18,300	0	2,038	3,578	0	2,038	3,578	0	2,158	3,969	0	1,583	2,977	0	2,148	3,996
18,300	18,350	0	2,038	3,578	0	2,038	3,578	0	2,158	3,969	0	1,583	2,977	0	2,230	4,195
18,350	18,400	0	2,038	3,578	0	2,038	3,578	0	2,158	3,969	0	1,583	2,977	0	2,312	4,394
18,400	18,450	0	2,038	3,578	0	2,038	3,578	0	2,158	3,969	0	1,583	2,977	0	2,394	4,593
18,450	18,500	0	2,038	3,578	0	2,038	3,578	0	2,158	3,969	0	1,583	2,977	0	2,476	4,792
18,500	18,550	0	1,998	3,525	0	1,998	3,525	0	2,318	3,948	0	1,583	2,977	0	2,558	4,991
18,550	18,600	0	1,998	3,525	0	1,998	3,525	0	2,318	3,948	0	1,583	2,977	0	2,640	5,190
18,600	18,650	0	1,992	3,504	0	1,992	3,504	0	2,302	3,915	0	1,503	2,872	0	1,922	3,902
18,650	18,700	0	1,974	3,483	0	1,974	3,483	0	2,284	3,915	0	1,485	2,862	0	1,914	3,881
18,700	18,750	0	1,966	3,463	0	1,966	3,463	0	2,266	3,904	0	1,467	2,851	0	1,896	3,872
18,750	18,800	0	1,958	3,442	0	1,958	3,442	0	2,278	3,884	0	1,479	2,841	0	1,798	3,862
18,800	18,850	0	1,950	3,462	0	1,950	3,462	0	2,270	3,883	0	1,471	2,830	0	1,790	3,851
18,850	18,900	0	1,942	3,451	0	1,942	3,451	0	2,262	3,872	0	1,463	2,819	0	1,783	3,841
18,900	18,950	0	1,934	3,441	0	1,934	3,441	0	2,254	3,862	0	1,455	2,809	0	1,775	3,830
18,950	19,000	0	1,926	3,430	0	1,926	3,430	0	2,246	3,851	0	1,447	2,798	0	1,767	3,820
19,000	19,050	0	1,918	3,420	0	1,918	3,420	0	2,238	3,841	0	1,439	2,788	0	1,759	3,809
19,050	19,100	0	1,910	3,409	0	1,910	3,409	0	2,230	3,830	0	1,431	2,777	0	1,751	3,799
19,100	19,150	0	1,902	3,399	0	1,902	3,399	0	2,222	3,820	0	1,423	2,767	0	1,743	3,788
19,150	19,200	0	1,884	3,388	0	1,884	3,388	0	2,214	3,809	0	1,415	2,756	0	1,735	3,777
19,200	19,250	0	1,866	3,378	0	1,866	3,378	0	2,206	3,799	0	1,407	2,746	0	1,727	3,767
19,250	19,300	0	1,848	3,367	0	1,848	3,367	0	2,198	3,788	0	1,399	2,735	0	1,719	3,756
19,300	19,350	0	1,878	3,356	0	1,878	3,356	0	2,190	3,778	0	1,391	2,725	0	1,711	3,746
19,350	19,400	0	1,862	3,346	0	1,862	3,346	0	2,182	3,767	0	1,383	2,714	0	1,703	3,735
19,400	19,450	0	1,854	3,335	0	1,854	3,335	0	2,174	3,757	0	1,375	2,704	0	1,695	3,724
19,450	19,500	0	1,846	3,325	0	1,846	3,325	0	2,166	3,746	0	1,367	2,693	0	1,687	3,714
19,500	19,550	0	1,838	3,314	0	1,838	3,314	0	2,158	3,735	0	1,359	2,682	0	1,679	3,703
19,550	19,600	0	1,830	3,304	0	1,830	3,304	0	2,150	3,725	0	1,351	2,671	0	1,671	3,693
19,600	19,650	0	1,822	3,293	0	1,822	3,293	0	2,142	3,714	0	1,343	2,661	0	1,663	3,683
19,650	19,700	0	1,814	3,283	0	1,814	3,283	0	2,134	3,704	0	1,335	2,651	0	1,655	3,672
19,700	19,750	0	1,806	3,272	0	1,806	3,272	0	2,126	3,693	0	1,327	2,640	0	1,647	3,662
19,750	19,800	0	1,798	3,262	0	1,798	3,262	0	2,118	3,683	0	1,319	2,630	0	1,639	3,651
19,800	19,850	0	1,790	3,251	0	1,790	3,251	0	2,110	3,672	0	1,311	2,619	0	1,631	3,641
19,850	19,900	0	1,783	3,241	0	1,783	3,241	0	2,102	3,662	0	1,303	2,609	0	1,623	3,630
19,900	19,950	0	1,775	3,230	0	1,775	3,230	0	2,094	3,651	0	1,295	2,598	0	1,615	3,620
19,950	20,000	0	1,767	3,220	0	1,767	3,220	0	2,086	3,641	0	1,287	2,587	0	1,607	3,609
20,000	20,050	0	1,759	3,209	0	1,759	3,209	0	2,078	3,630	0	1,279	2,576	0	1,599	2,998
20,050	20,100	0	1,751	3,198	0	1,751	3,198	0	2,070	3,620	0	1,271	2,567	0	1,591	2,988
20,100	20,150	0	1,743	3,188	0	1,743	3,188	0	2,062	3,609	0	1,263	2,556	0	1,583	2,977
20,150	20,200	0	1,735	3,177	0	1,735	3,177	0	2,054	3,599	0	1,255	2,546	0	1,575	2,967
20,200	20,250	0	1,727	3,167	0	1,727	3,167	0	2,046	3,588	0	1,247	2,535	0	1,567	2,956
20,250	20,300	0	1,719	3,156	0	1,719	3,156	0	2,038	3,577	0	1,239	2,525	0	1,559	2,946
20,300	20,350	0	1,711	3,145	0	1,711	3,145	0	2,030	3,567	0	1,231	2,514	0	1,551	2,935
20,350	20,400	0	1,703	3,135	0	1,703	3,135	0	2,022	3,557	0	1,223	2,504	0	1,543	2,925
20,400	20,450	0	1,695	3,125	0	1,695	3,125	0	2,014	3,546	0	1,215	2,493	0	1,535	2,914
20,450	20,500	0	1,687	3,114	0	1,687	3,114	0	2,006	3,535	0	1,207	2,482	0	1,527	2,904
20,500	20,550	0	1,679	3,104	0	1,679	3,104	0	1,998	3,525	0	1,199	2,472	0	1,519	2,893
20,550	20,600	0	1,671	3,093	0	1,671	3,093	0	1,990	3,514	0	1,191	2,461	0	1,511	2,883
20,600	20,650	0	1,663	3,083	0	1,663	3,083	0	1,982	3,504	0	1,183	2,451	0	1,503	2,872
20,650	20,700	0	1,655	3,072	0	1,655	3,072	0	1,974	3,493	0	1,175	2,440	0	1,495	2,862
20,700	20,750	0	1,647	3,062	0	1,647	3,062	0	1,966	3,483	0	1,167	2,430	0	1,487	2,851
20,750	20,800	0	1,639	3,051	0	1,639	3,051	0	1,958	3,472	0	1,159	2,419	0	1,479	2,841
20,800	20,850	0	1,631	3,041	0	1,631	3,041	0	1,950	3,462	0	1,151	2,409	0	1,471	2,830
20,850	20,900	0	1,623	3,030	0	1,623	3,030	0	1,942	3,451	0	1,143	2,398	0	1,463	2,819
20,900	20,950	0	1,615	3,020	0	1,615	3,020	0	1,934	3,441	0	1,135	2,388	0	1,455	2,809
20,950	21,000	0	1,607	3,009	0	1,607	3,009	0	1,926	3,430	0	1,127	2,377	0	1,447	2,798
21,000	21,050	0	1,599	2,998	0	1,599	2,998	0	1,918	3,420	0	1,119	2,367	0	1,439	2,788
21,050	21,100	0	1,591	2,988	0	1,591	2,988	0	1,910	3,409	0	1,111	2,356	0	1,431	2,777

Continued on page 55

Need more information or forms? See page 7.

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2005 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—	And your filing status is—				And your filing status is—				And your filing status is—				And your filing status is—			
	Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—				Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
	No children	One child	Two children	Three children	No children	One child	Two children	Three children	No children	One child	Two children	Three children	No children	One child	Two children	Three children
At least But less than	Your credit is—	Your credit is—	Your credit is—	Your credit is—	Your credit is—	Your credit is—	Your credit is—	Your credit is—	At least But less than	Your credit is—	Your credit is—	Your credit is—	At least But less than	Your credit is—	Your credit is—	Your credit is—
30,100	30,150	0	145	1,082	0	464	1,503	33,100	33,150	0	450	0	0	0	871	0
30,150	30,200	0	137	1,071	0	456	1,491	33,150	33,200	0	440	0	0	0	861	0
30,200	30,250	0	129	1,061	0	448	1,482	33,200	33,250	0	429	0	0	0	850	0
30,250	30,300	0	121	1,050	0	440	1,472	33,250	33,300	0	419	0	0	0	840	0
30,300	30,350	0	113	1,040	0	432	1,461	33,300	33,350	0	408	0	0	0	829	0
30,350	30,400	0	105	1,029	0	424	1,451	33,350	33,400	0	398	0	0	0	819	0
30,400	30,450	0	97	1,019	0	416	1,440	33,400	33,450	0	387	0	0	0	808	0
30,450	30,500	0	89	1,008	0	408	1,429	33,450	33,500	0	376	0	0	0	798	0
30,500	30,550	0	81	998	0	400	1,419	33,500	33,550	0	366	0	0	0	787	0
30,550	30,600	0	73	987	0	392	1,408	33,550	33,600	0	355	0	0	0	777	0
30,600	30,650	0	65	977	0	384	1,398	33,600	33,650	0	345	0	0	0	766	0
30,650	30,700	0	57	966	0	376	1,387	33,650	33,700	0	334	0	0	0	755	0
30,700	30,750	0	49	956	0	368	1,377	33,700	33,750	0	324	0	0	0	745	0
30,750	30,800	0	41	945	0	360	1,366	33,750	33,800	0	313	0	0	0	735	0
30,800	30,850	0	33	935	0	352	1,356	33,800	33,850	0	303	0	0	0	725	0
30,850	30,900	0	25	924	0	344	1,345	33,850	33,900	0	292	0	0	0	714	0
30,900	30,950	0	17	914	0	336	1,335	33,900	33,950	0	282	0	0	0	703	0
30,950	31,000	0	9	903	0	328	1,324	33,950	34,000	0	271	0	0	0	692	0
31,000	31,050	0	1	892	0	320	1,314	34,000	34,050	0	261	0	0	0	682	0
31,050	31,100	0	0	882	0	312	1,303	34,050	34,100	0	250	0	0	0	671	0
31,100	31,150	0	0	871	0	304	1,293	34,100	34,150	0	240	0	0	0	661	0
31,150	31,200	0	0	861	0	296	1,282	34,150	34,200	0	229	0	0	0	650	0
31,200	31,250	0	0	850	0	288	1,272	34,200	34,250	0	219	0	0	0	640	0
31,250	31,300	0	0	840	0	280	1,261	34,250	34,300	0	208	0	0	0	629	0
31,300	31,350	0	0	829	0	272	1,250	34,300	34,350	0	197	0	0	0	619	0
31,350	31,400	0	0	819	0	264	1,240	34,350	34,400	0	187	0	0	0	608	0
31,400	31,450	0	0	808	0	256	1,229	34,400	34,450	0	176	0	0	0	598	0
31,450	31,500	0	0	797	0	248	1,219	34,450	34,500	0	166	0	0	0	587	0
31,500	31,550	0	0	787	0	240	1,208	34,500	34,550	0	155	0	0	0	577	0
31,550	31,600	0	0	777	0	232	1,198	34,550	34,600	0	145	0	0	0	566	0
31,600	31,650	0	0	766	0	224	1,187	34,600	34,650	0	134	0	0	0	555	0
31,650	31,700	0	0	756	0	216	1,177	34,650	34,700	0	124	0	0	0	545	0
31,700	31,750	0	0	745	0	208	1,166	34,700	34,750	0	113	0	0	0	534	0
31,750	31,800	0	0	735	0	200	1,156	34,750	34,800	0	103	0	0	0	524	0
31,800	31,850	0	0	724	0	192	1,145	34,800	34,850	0	92	0	0	0	513	0
31,850	31,900	0	0	713	0	185	1,135	34,850	34,900	0	82	0	0	0	503	0
31,900	31,950	0	0	703	0	177	1,124	34,900	34,950	0	71	0	0	0	492	0
31,950	32,000	0	0	692	0	169	1,114	34,950	35,000	0	61	0	0	0	482	0
32,000	32,050	0	0	682	0	161	1,103	35,000	35,050	0	50	0	0	0	471	0
32,050	32,100	0	0	671	0	153	1,093	35,050	35,100	0	40	0	0	0	461	0
32,100	32,150	0	0	661	0	145	1,082	35,100	35,150	0	29	0	0	0	450	0
32,150	32,200	0	0	650	0	137	1,071	35,150	35,200	0	18	0	0	0	440	0
32,200	32,250	0	0	640	0	129	1,061	35,200	35,250	0	8	0	0	0	429	0
32,250	32,300	0	0	629	0	121	1,050	35,250	35,300	0	0	0	0	0	419	0
32,300	32,350	0	0	619	0	113	1,040	35,300	35,350	0	0	0	0	0	408	0
32,350	32,400	0	0	608	0	105	1,029	35,350	35,400	0	0	0	0	0	398	0
32,400	32,450	0	0	598	0	97	1,019	35,400	35,450	0	0	0	0	0	387	0
32,450	32,500	0	0	587	0	89	1,008	35,450	35,500	0	0	0	0	0	376	0
32,500	32,550	0	0	577	0	81	998	35,500	35,550	0	0	0	0	0	366	0
32,550	32,600	0	0	566	0	73	987	35,550	35,600	0	0	0	0	0	355	0
32,600	32,650	0	0	555	0	65	977	35,600	35,650	0	0	0	0	0	345	0
32,650	32,700	0	0	544	0	57	966	35,650	35,700	0	0	0	0	0	334	0
32,700	32,750	0	0	534	0	49	956	35,700	35,750	0	0	0	0	0	324	0
32,750	32,800	0	0	524	0	41	945	35,750	35,800	0	0	0	0	0	313	0
32,800	32,850	0	0	513	0	33	935	35,800	35,850	0	0	0	0	0	303	0
32,850	32,900	0	0	503	0	25	924	35,850	35,900	0	0	0	0	0	292	0
32,900	32,950	0	0	492	0	17	914	35,900	35,950	0	0	0	0	0	282	0
32,950	33,000	0	0	482	0	9	903	35,950	36,000	0	0	0	0	0	271	0
33,000	33,050	0	0	471	0	1	892	36,000	36,050	0	0	0	0	0	261	0
33,050	33,100	0	0	461	0	0	882	36,050	36,100	0	0	0	0	0	250	0

If the amount you are looking up from the worksheet is at least \$31,000 (\$33,000 if married filing jointly) but less than \$31,030 (\$33,030 if married filing jointly), your credit is \$2. Otherwise, you cannot take the credit.

If the amount you are looking up from the worksheet is at least \$35,250 but less than \$35,283, your credit is \$1. Otherwise, you cannot take the credit.

(Continued on page 7)

2005 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—	And your filing status is—				And your filing status is—				And your filing status is—				And your filing status is—			
	Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—				Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
	No children	One child	Two children	Three children	No children	One child	Two children	Three children	No children	One child	Two children	Three children	No children	One child	Two children	Three children
At least	But less than	Your credit is—	Your credit is—	Your credit is—	At least	But less than	Your credit is—	Your credit is—	At least	But less than	Your credit is—	Your credit is—	At least	But less than	Your credit is—	Your credit is—
36,100	36,150	0	0	0	240	36,650	36,600	0	0	0	0	82	36,650	36,600	0	0
36,150	36,200	0	0	0	225	36,600	36,550	0	0	0	0	71	36,600	36,550	0	0
36,200	36,250	0	0	0	210	36,550	37,000	0	0	0	0	61	36,550	37,000	0	0
36,250	36,300	0	0	0	208	37,000	37,050	0	0	0	0	50	37,000	37,050	0	0
36,300	36,350	0	0	0	197	37,050	37,100	0	0	0	0	40	37,050	37,100	0	0
36,350	36,400	0	0	0	187	37,100	37,150	0	0	0	0	29	37,100	37,150	0	0
36,400	36,450	0	0	0	176	37,150	37,200	0	0	0	0	18	37,150	37,200	0	0
36,450	36,500	0	0	0	166	37,200	37,250	0	0	0	0	8	37,200	37,250	0	0
36,500	36,550	0	0	0	155	37,250	37,263	0	0	0	0	1	37,250	37,263	0	0
36,550	36,600	0	0	0	145	37,263 or more						0	37,263 or more			
36,600	36,650	0	0	0	134							0				
36,650	36,700	0	0	0	124							0				
36,700	36,750	0	0	0	113							0				
36,750	36,800	0	0	0	103							0				
36,800	36,850	0	0	0	92							0				
36,850	36,900	0	0	0								0				

Line 67

Excess Social Security and Tier 1 RRTA Tax Withheld

If you, or your spouse if filing a joint return, had more than one employer for 2005 and total wages of more than \$90,000, too much social security or tier 1 railroad retirement (RRTA) tax may have been withheld. You can take a credit on this line for the amount withheld in excess of \$5,580. But if any one employer withheld more than \$5,580, you cannot claim the excess on your return. The employer should adjust the tax for you. If the employer does not adjust the overcollection, you can file a claim for refund using Form 843. Figure this amount separately for you and your spouse.

You cannot claim a refund for excess tier 2 RRTA tax on Form 1040. Instead, use Form 843.

For more details, see Pub. 505.

Line 68

Additional Child Tax Credit

What Is the Additional Child Tax Credit?

This credit is for certain people who have at least one qualifying child as defined in the instructions for line 6c on page 19. The additional child tax credit may give you a refund even if you do not owe any tax.

Two Steps To Take the Additional Child Tax Credit

Step 1. Be sure you figured the amount, if any, of your child tax credit. See the instructions for line 52 that begin on page 41.

Step 2. Read the TIP at the end of your Child Tax Credit Worksheet. Use Form 8812 to see if you can take the additional child tax credit, but only if you meet the condition given in that TIP.

Line 69

Amount Paid With Request for Extension To File

If you filed Form 4868 to get an automatic extension of time to file Form 1040, enter any amount you paid with that form or by electronic funds withdrawal or credit card. If you paid by credit card, do not include on line 69 the convenience fee you were charged. Also, include any amounts paid with Form 2350.

Form 1040—Lines 67 Through 73d

Lines 73b Through 73d

DIRECT DEPOSIT

Fast Refunds! Choose direct deposit—a fast, simple, safe, secure way to have your refund deposited automatically into your checking or savings account.

Why Use Direct Deposit?

- You get your refund fast—in half the time as paper filers if you e-file.
- Payment is more secure—there is no check to get lost.
- More convenient. No trip to the bank to deposit your check.
- Saves tax dollars. A refund by direct deposit costs less than a check.

Complete lines 73b through 73d if you want us to directly deposit the amount shown on line 73a into your checking or savings account at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) in the United States. Otherwise, we will send you a check.

Note. If you do not want your refund directly deposited into your account, draw a line through the boxes on lines 73b and 73d.

Check with your financial institution to make sure your direct deposit will be accepted and get the correct routing and account numbers. The IRS is not responsible for a lost refund if you enter the wrong account information.

If you file a joint return and fill in lines 73b through 73d, you are appointing your spouse as an agent to receive the refund. This appointment cannot be changed later.

Line 73b

The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check sent instead. On the sample check on page 60, the routing number is 250250023.

Your check may state that it is payable through a financial institution different from the one at which you have your checking account. If so, do not use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter on line 73b.

Line 73d

The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the

Line 75

Amount You Owe



Pay your taxes in full by April 15, 2006, to save interest and penalties. You do not have to pay if line 75 is under \$1.

Include any estimated tax penalty from line 76 in the amount you enter on line 75. You can pay by check, money order, or credit card. Do not include any estimated tax payment for 2006 in your check, money order, or amount you charge. Instead, make the estimated tax payment separately.

To pay by check or money order. Make your check or money order payable to the "United States Treasury" for the full amount due. Do not send cash. Do not attach the payment to your return. Write "2005 Form 1040" and your name, address, daytime phone number, and social security number (SSN) on your payment. If you are filing a joint return, enter the SSN shown first on your tax return.

To help process your payment, enter the amount on the right side of the check, like this \$XXX.XX. Do not use dashes or lines (for example, do not enter "\$XXX-" or "\$XXX/100").

Then, please complete Form 1040-V following the instructions on that form and enclose it in the envelope with your tax return and payment. Although you do not have to use Form 1040-V, doing so allows us to process your payment more accurately and efficiently.

To pay by credit card. You can use your American Express® Card, Discover® Card, MasterCard® card, or Visa® card. To pay by credit card, call toll-free or visit the website of either service provider listed on this page and follow the instructions. A convenience fee will be charged by the service provider based on the amount you

are paying. Fees may vary between the providers. You will be told what the fee is during the transaction and you will have the option to either continue or cancel the transaction. You can also find out what the fee will be by calling the provider's toll-free automated customer service number or visiting the provider's website shown below. If you pay by credit card before filing your return, please enter on page 1 of Form 1040 in the upper left corner the confirmation number you were given at the end of the transaction and the amount you charged (not including the convenience fee).

Link2Gov Corporation
1-888-PAY-1040 (1-888-729-1040)
1-888-658-5165 (Customer Service)
www.PAY1040.com

Official Payments Corporation
1-800-2PAY-TAX (1-800-729-9829)
1-877-754-4413 (Customer Service)
www.officialpayments.com



You may need to (a) increase the amount of income tax withheld from your pay by filing a new Form W-4, or (b) make estimated tax payments for 2006. See Income Tax Withholding and Estimated Tax Payments for 2006 on page 62.

What If You Cannot Pay?

If you cannot pay the full amount shown on line 75 when you file, you can ask to make monthly installment payments for the full or a partial amount. You may have up to 60 months to pay. However, you will be charged interest and may be charged a late payment penalty on the tax not paid by April 15, 2006, even if your request to pay in installments is granted. You must also pay a fee. To limit the interest and penalty charges, pay as much of the tax as possible when you file. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan or credit card payment.

To ask for an installment agreement, use Form 9465. You should receive a response to your request to make installment payments within 30 days. But if you file your return after March 31, it may take us longer to reply.

Line 76

Estimated Tax Penalty

You may owe this penalty if:

- Line 75 is at least \$1,000 and it is more than 10% of the tax shown on your return, or
- You did not pay enough estimated tax by any of the due dates. This is true even if

Sample Check—Lines 73b Through 73d

JEFFREY MAPLE
SUZANNE MAPLE
123 Pear Lane
Anyplace, VA 20000

PAY TO THE ORDER OF

\$ 1234.56
15,000.00

Account number (line 73d)
Routing number (line 73b)

1234
150250023

Do not include the check number

ANYPLACE BANK
Anyplace, VA 20000

Per

The routing and account numbers may be in different places on your check.

Need more information or forms? See page 7.

Assemble Your Return

Assemble any schedules and forms behind Form 1040 in order of the "Attachment Sequence No." shown in the upper right corner of the schedule or form. If you have supporting statements, arrange them in the same order as the schedules or forms they support and attach them last. Do not attach correspondence or other items unless required to do so. Attach a copy of Forms W-2 and 2439 to the front of Form 1040. Also attach Forms W-2G and 1099-R to the front of Form 1040 if tax was withheld.

filing certain forms, such as Form 3115, 3168 (if attachments are required), 5713, 5833 (if Section B is completed), 8558, or 8855.

For more details, visit www.irs.gov/efile and click on "e-file for Individual Taxpayers."

Forms 8453 and 945301. Your return is not complete without your signature. If you are not eligible or choose not to sign your return electronically, you must complete, sign, and file Form 8453 or Form 945301, whichever applies.

If you use a paid preparer, ask to sign your return electronically!

General Information

How To Avoid Common Mistakes

Mistakes can delay your refund or result in notices being sent to you.

- **Make sure you entered the correct name and social security number (SSN) for each dependent you claim on line 6b.** Check that each dependent's name and SSN agrees with his or her social security card. For each child under age 17 who is a qualifying child for the child tax credit, make sure you either checked the box in line 6c, column (4), or completed Form 8901.

- **Check your math, especially for the child tax credit, earned income credit (EIC), taxable social security benefits, total deduction, itemized deductions or standard deduction, deduction for exemptions, taxable income, total tax, federal income tax withheld, and refund or amount you owe.**
- **Be sure you use the correct method to figure your tax.** See the instructions for line 44 that begin on page 37.

- **Be sure to enter your SSN in the space provided on page 1 of Form 1040.** If you are married filing a joint or separate return, also enter your spouse's SSN. Be sure to enter your SSN in the space next to your name. Check that your name and SSN agree with your social security card.
- **Make sure your name and address are correct on the pre-filled label.** If not, enter the correct information. If you did not get a pre-filled label, enter your (and your spouse's) name in the same order as shown on your last return. Check that your name agrees with your social security card.

- **If you are taking the standard deduction and you checked any box on line 39a or 39b or you (or your spouse) if filing jointly) can be claimed as a dependent on**

return (Form 1040X), a math error notice, or an IRS examination report (AGI is the amount shown on your 2004 Form 1040, line 37, Form 1040A, line 22, Form 1040EZ, line 4, or on the Telephone Tax Record, line 1. If you do not have your 2004 income tax return, call the IRS at 1-800-829-1040 to get a free transcript of your return. You will also be prompted to enter your date of birth (DOB). Make sure your DOB is accurate and matches the information on record with the Social Security Administration by checking your annual social security statement.



You cannot sign your return electronically if you are a first-time filer under age 16 at the end of 2005 or if you are

Form 1040 Line 76

Sign Your Return

Form 1040 is not considered a valid return unless you sign it. If you are filing a joint return, your spouse must also sign. If your spouse cannot sign the return, see Pub 501. Be sure to date your return and enter your occupation(s). If you have someone prepare your return, you are still responsible for the correctness of the return. If your return is signed by a representative for you, you must have a power of attorney attached that specifically authorizes the representative to sign your return. To do this, you can use Form 2848. If you are filing a joint return as a surviving spouse, see *Death of a Taxpayer* on page 63.

Child's Return

If your child cannot sign the return, either parent can sign the child's name in the space provided. Then, enter "By (your signature), parent for minor child."

Daytime Phone Number

Providing your daytime phone number may help speed the processing of your return. We may have questions about items on your return, such as the earned income credit, credit for child and dependent care expenses, etc. By answering our questions over the phone, we may be able to continue processing your return without making you a letter. If you are filing a joint return, you can enter either your or your spouse's daytime phone number.

Paid Preparer Must Sign Your Return

Generally, anyone you pay to prepare your return must sign it in the space provided. The preparer must give you a copy of the return for your records. Someone who prepares your return but does not charge you should not sign your return.



Electronic Return Signatures

Create your own personal identification number (PIN) and file a paperless return electronically or use a tax professional. If you are married filing jointly, you and your spouse will each need to create a PIN, and enter these PINs as your electronic signatures.

A PIN is any combination of five digits you choose except five zeros. If you use a PIN, there is nothing to sign and nothing to mail—not even your Forms W-2.

To verify your identity, you will be prompted to enter your adjusted gross income (AGI) from your originally filed 2004 federal income tax return, if applicable. Do not use your AGI from an amended return before it enters. See Pub 947.

Need more information or forms? See page 7.

must do so. Instead, keep it for your records.



Because Form 2210 is completed, you can leave line 76 blank and the IRS will figure the penalty and refund you a bill. We will not charge you interest on the penalty if you pay by the date specified on the bill. If your income varied during the year, the annualized income installment method may reduce the amount of your penalty. But you must file Form 2210 because the IRS cannot figure your penalty under this method. See the instructions for Form 2210 for other situations in which you may be able to lower your penalty by filing Form 2210.

Third Party Designee

If you want to allow a friend, family member, or any other person you choose to discuss your 2005 tax return with the IRS, check the "Yes" box in the "Third Party Designee" area of your return. Also, enter the designee's name, phone number, and five digits the designee chooses as his or her personal identification number (PIN). But if you want to allow the paid preparer who signed your return to discuss it with the IRS, just enter "Preparer" in the space for the designee's name. You do not have to provide the other information requested.

- If you check the "Yes" box, you, and your spouse if filing a joint return, are authorizing the IRS to call the designee to answer any questions that may arise during the processing of your return. You are also authorizing the designee to:
 - Give the IRS any information that is missing from your return.
 - Call the IRS for information about the processing of your return or the status of your refund or payment(s).
 - Receive copies of notices or transcripts related to your return, upon request, and

- Respond to certain IRS notices about math errors, offsets, and return preparation.
- You are not authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the IRS. If you want to expand the designee's authorization, see Pub 947.

The authorization will automatically expire no later than the due date (without regard to extensions) for filing your 2006 tax return. This is April 16, 2007, for most people. If you wish to revoke the authorization before it ends, see Pub 947.

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you are due a refund.

For most people, the "tax shown on your return" is the amount on your 2005 Form 1040, line 62, minus the total of any amounts shown on lines 66a and 68 and Forms 8828, 4137, 4136, 5329 (Parts III through VIII only), and 8855. Also subtract from line 63 any tax on an excess parachute payment and any excise tax on insider stock compensation of an expatriated corporation. When figuring the amount on line 63, include the amount on line 62 only if line 64 is more than zero or you would owe the penalty even if you did not include those taxes. But if you entered an amount on Schedule H, line 7, include the total of that amount plus the amount on Form 1040, line 62.

Exception. You will not owe the penalty if your 2004 tax return was for a tax year of 12 full months and either of the following applies:

1. You had no tax shown on your 2004 return and you were a U.S. citizen or resident for all of 2004, or
2. The total of lines 64, 65, and 67 on your 2005 return is at least 100% of the tax shown on your 2004 return (111% if of that amount if you are not a farmer or fisherman and your adjusted gross income shown on that return is more than \$150,000, or if married filing separately for 2005, more than \$75,000). Your estimated tax payments for 2005 must have been made on time and for the required amount.

For most people, the "tax shown on your 2004 return" is the amount on your 2004 Form 1040, line 62, minus the total of any amounts shown on lines 65a and 6" and Forms 8828, 4137, 4136, 5329 (Parts III through VIII only), and 8855. Also subtract from line 62 any tax on an excess parachute payment and any excise tax on insider stock compensation of an expatriated corporation. When figuring the amount on line 62, include the amount on line 61 only if line 63 is more than zero or you would have owed the estimated tax penalty for 2004 even if you did not include those taxes. But if you entered an amount on your 2004 Schedule H, line 7, include the total of that amount plus the amount on your 2004 Form 1040, line 61.

Figuring the Penalty

If the Exception above does not apply and you choose to figure the penalty yourself, see Form 2210 (or 2210-PF for farmers and fishermen) to find out if you owe the penalty. If you do, you can use the form to figure the amount.

Enter the penalty on line 76. Add the penalty to any tax due and enter the total on line 75. If you are due a refund, subtract the penalty from the overpayment you show on line 72. Do not file Form 2210 with your return unless Form 2210 indicates that you

of tax, interest, and penalties on your joint return. However, you may qualify for relief from liability for tax on a joint return if (a) there is an understatement of tax because your spouse omitted income or claimed false deductions or credits, (b) you are divorced, separated, or no longer living with your spouse, or (c) given all the facts and circumstances, it would not be fair to hold you liable for the tax. To request relief, you must file Form 8857 no later than 2 years after the date on which the IRS first attempted to collect the tax from you. For more information, see Pub 971 and Form 8857.

Income Tax Withholding and Estimated Tax Payments for 2006

If the amount you owe or the amount you overpaid is large, you may want to file a new Form W-4 with your employer to change the amount of income tax withheld from your 2006 pay. For details on how to complete Form W-4, see Pub 919.

In general, you do not have to make estimated tax payments if you expect that your 2006 Form 1040 will show a tax refund or a tax balance due of less than \$1,000. If your total estimated tax (including any household employment taxes and alternative minimum tax) for 2006 is \$1,000 or more, see Form 1040-ES. It has a worksheet you can use to see if you have to make estimated tax payments. For more details, see Pub 505.

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Innocent Spouse Relief

Generally, both you and your spouse are each responsible for paying the full amount

Claiming a Refund for a Deceased Taxpayer

If you are filing a joint return as a surviving spouse, you only need to file the tax return to claim the refund. If you are a court-appointed representative, file the return and attach a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer's refund must file the return and attach Form 1310.

Amended Return

File Form 1040X to change a return you already filed. Generally, Form 1040X must be filed within 3 years after the date the original return was filed, or within 2 years after the date the tax was paid, whichever is later. But you may have more time to file Form 1040X if you live in a Presidentially declared disaster area or you are physically or mentally unable to manage your financial affairs. See Pub. 556 for details.

Need a Copy of Your Tax Return?

If you need a copy of your tax return, use Form 4506. There is a \$39 fee for each return requested. If your main home, principal place of business, or tax records are located in a Presidentially declared disaster area, this fee will be waived. If you want a free transcript of your tax return or account, use Form 4506-T or call us. See page 10 for the number.

Death of a Taxpayer

If a taxpayer died before filing a return for 2005, the taxpayer's spouse or personal representative may have to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer's property. If the deceased taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund. The person who files the return must enter "Deceased," the deceased taxpayer's name, and the date of death across the top of the return. If this information is not provided, it may delay the processing of the return.

If your spouse died in 2005 and you did not refile in 2005 or if your spouse died in 2006 before filing a return for 2005, you can file a joint return. A joint return should show your spouse's 2005 income before death and your income for all of 2005. Enter "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

The surviving spouse or personal representative should promptly notify all payers of income, including financial institutions, of the taxpayer's death. This will ensure the proper reporting of income earned by the taxpayer's estate or heirs. A deceased taxpayer's social security number should not be used for tax years after the year of death, except for estate tax return purposes.

Do Both the Name and SSN on Your Tax Forms Agree With Your Social Security Card?

If not, certain deductions and credits may be reduced or disallowed, your refund may be delayed, and you may not receive credit for your social security earnings. If your Form W-2, Form 1099, or other tax document shows an incorrect SSN or name, notify your employer or the form-issuing agent as soon as possible to make sure your earnings are credited to your social security record. If the name or SSN on your social security card is incorrect, call the Social Security Administration at 1-800-792-1213.

Identity Theft

If you believe someone has assumed your identity to file federal income tax returns, or to commit other tax fraud, call 1-800-829-0433. Victims of identity theft who are having trouble filing their returns should call the Taxpayer Advocate at 1-877-777-4778.

The IRS does not request personal taxpayer information through email. If you receive this type of request, it may be an attempt by identity thieves to get your private tax information.

How Do You Make a Gift to Reduce Debt Held By the Public?

If you wish to do so, make a check payable to "Bureau of the Public Debt." You can send it to Bureau of the Public Debt, Department G, P.O. Box 2188, Parkersburg, WV 26106-2188. Or you can endorse the check with your income tax return when you file. Do not add your gift to any tax you may owe. See page 60 for details on how to pay any tax you owe.



You may be able to deduct this gift on your 2006 tax return.

How Long Should Records Be Kept?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as Forms W-2 and 1099) until the statute of limitations runs out for that return. Usually, this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. You should keep keep whatever is longer. For example, keep property records

site at www.aarp.org/taxupdate or call 1-888-227-7669.

When you go for help, take your photo ID and social security numbers (or individual taxpayer identification numbers) for your spouse, your dependents, and yourself. Also take a copy of your 2004 tax return (if available), all your Forms W-2, 1099, and 1098 for 2005, and any other information about your 2005 income and expenses.

Everyday Tax Solutions

You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to www.irs.gov/localcontacts or look in the phone book under "United States Government, Internal Revenue Service."

Online Services

If you subscribe to an online service, ask about online filing or tax information.

Large-Print Forms and Instructions

Pub. 1614 has large-print copies of Form 1040, Schedules A, B, D, E, and R, and Form 1040-V, and their instructions. You can use the large-print forms and schedules as worksheets to figure your tax, but you cannot file them. You can get Pub. 1614 by phone or mail. See pages 7 and 80.

Help for People With Disabilities

Telephone help is available using TTY/TDD equipment by calling

is late, unless you have a reasonable explanation. If you do, attach it to your return. The penalty can be as much as 25% of the tax due. The penalty is 15% per month, up to a maximum of 75%, if the failure to file is fraudulent. If your return is more than 60 days late, the minimum penalty will be \$100 or the amount of any tax you owe, whichever is smaller.

Late payment of tax. If you pay your taxes late, the penalty is usually 1/2 of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty can be as much as 25% of the unpaid amount. It applies to any unpaid tax on the return. This penalty is in addition to interest charges on late payments.

Frivolous return. In addition to any other penalties, the law imposes a penalty of \$500 for filing a frivolous return. A frivolous return is one that does not contain information needed to figure the correct tax or shows a substantially incorrect tax because you take a frivolous position or desire to delay or interfere with the tax laws. This includes altering or striking out the preprinted language above the space where you sign.

Other. Other penalties can be imposed for negligence, substantial understatement of tax, reportable transaction understatements, and fraud. Criminal penalties may be imposed for willful failure to file tax evasion, or making a false statement. See Pub. 1 for details on some of these penalties.

Interest and Penalties

You do not have to figure the amount of any interest or penalties you may owe. Because figuring these amounts can be complicated, we will do it for you if you want. We will send you a bill for any amount due.

If you include interest or penalties (other than the estimated tax penalty) with your payment, identify and enter the amount in the bottom margin of Form 1040, page 2. Do not include interest or penalties (other than the estimated tax penalty) in the amount you owe on line 75.

Interest

We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, negligence, fraud, substantial valuation misstatements, substantial understatement of tax, and reportable transaction understatements. Interest is charged on the penalty from the due date of the return (including extensions).

Penalties

Late filing. If you do not file your return by the due date (including extensions), the penalty is usually 5% of the amount due for each month or part of a month your return

2005

Tax Table

See the instructions for line 44 that begin on page 17 to see if you must use the Tax Table below to figure your tax.

Example. Mr. and Mrs. Brown are filing a joint return. Their taxable income on Form 1040, line 43, is \$33,300. First, they find the \$33,300 25.5% taxable income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the taxable income line and filing status column meet is \$3,069. This is the tax amount they should enter on Form 1040, line 44.

Sample Table

If line 43 (taxable income) is—	And you are—			
	Single	Married filing jointly	Married filing separately	Head of a household
At least	But less than	But less than	But less than	But less than
25,000	25,500	3,419	3,054	3,419
25,500	26,000	3,426	3,061	3,426
26,000	26,500	3,434	3,069	3,434
26,500	27,000	3,441	3,076	3,441

If line 43 (taxable income) is—	And you are—				If line 43 (taxable income) is—	And you are—				If line 43 (taxable income) is—	And you are—					
	Single	Married filing jointly	Married filing separately	Head of a household		Single	Married filing jointly	Married filing separately	Head of a household		Single	Married filing jointly	Married filing separately	Head of a household		
At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than			
0	5	0	0	0	1,300	1,325	131	131	131	2,700	2,725	271	271	271	271	
5	15	1	1	1	1,325	1,350	134	134	134	2,725	2,750	274	274	274	274	
15	25	2	2	2	1,350	1,375	137	137	137	2,750	2,775	277	277	277	277	
25	50	4	4	4	1,375	1,400	139	139	139	2,775	2,800	279	279	279	279	
50	75	6	6	6	1,400	1,425	141	141	141	2,800	2,825	281	281	281	281	
75	100	8	8	8	1,425	1,450	144	144	144	2,825	2,850	284	284	284	284	
100	125	11	11	11	1,450	1,475	146	146	146	2,850	2,875	286	286	286	286	
125	150	13	13	13	1,475	1,500	149	149	149	2,875	2,900	288	288	288	288	
150	175	16	16	16	1,500	1,525	151	151	151	2,900	2,925	291	291	291	291	
175	200	18	18	18	1,525	1,550	154	154	154	2,925	2,950	294	294	294	294	
200	225	19	19	19	1,550	1,575	156	156	156	2,950	2,975	296	296	296	296	
225	250	21	21	21	1,575	1,600	159	159	159	2,975	3,000	299	299	299	299	
250	275	24	24	24	1,600	1,625	161	161	161	3,000						
275	300	26	26	26	1,625	1,650	164	164	164		3,000					
300	325	29	29	29	1,650	1,675	166	166	166	3,000	3,050	303	303	303	303	
325	350	31	31	31	1,675	1,700	169	169	169	3,050	3,100	308	308	308	308	
350	375	34	34	34	1,700	1,725	171	171	171	3,100	3,150	313	313	313	313	
375	400	36	36	36	1,725	1,750	174	174	174	3,150	3,200	318	318	318	318	
400	425	39	39	39	1,750	1,775	176	176	176	3,200	3,250	323	323	323	323	
425	450	41	41	41	1,775	1,800	178	178	178	3,250	3,300	328	328	328	328	
450	475	44	44	44	1,800	1,825	181	181	181	3,300	3,350	333	333	333	333	
475	500	46	46	46	1,825	1,850	184	184	184	3,350	3,400	343	343	343	343	
500	525	49	49	49	1,850	1,875	186	186	186	3,400	3,450	348	348	348	348	
525	550	51	51	51	1,875	1,900	189	189	189	3,450	3,500	353	353	353	353	
550	575	54	54	54	1,900	1,925	191	191	191	3,500	3,550	358	358	358	358	
575	600	56	56	56	1,925	1,950	194	194	194	3,550	3,600	363	363	363	363	
600	625	59	59	59	1,950	1,975	196	196	196	3,600	3,650	368	368	368	368	
625	650	61	61	61	1,975	2,000	199	199	199	3,650	3,700	373	373	373	373	
650	675	64	64	64	2,000					3,700	3,750	378	378	378	378	
675	700	66	66	66	2,000					3,750	3,800	383	383	383	383	
700	725	69	69	69	2,000	2,025	201	201	201	3,800	3,850	388	388	388	388	
725	750	71	71	71	2,025	2,050	204	204	204	3,850	3,900	393	393	393	393	
750	775	74	74	74	2,050	2,075	206	206	206	3,900	3,950	398	398	398	398	
775	800	76	76	76	2,075	2,100	209	209	209	3,950	4,000					
800	825	79	79	79	2,100	2,125	211	211	211	4,000						
825	850	81	81	81	2,125	2,150	214	214	214		4,000					
850	875	84	84	84	2,150	2,175	216	216	216		4,050	403	403	403	403	
875	900	86	86	86	2,175	2,200	219	219	219		4,050	406	406	406	406	
900	925	89	89	89	2,200	2,225	221	221	221		4,100	413	413	413	413	
925	950	91	91	91	2,225	2,250	224	224	224		4,150	416	416	416	416	
950	975	94	94	94	2,250	2,275	226	226	226		4,200	423	423	423	423	
975	1,000	96	96	96	2,275	2,300	229	229	229		4,250	426	426	426	426	
		99	99	99	2,300	2,325	231	231	231		4,300	430	430	430	430	
					2,325	2,350	234	234	234		4,350	434	434	434	434	
					2,350	2,375	236	236	236		4,400	438	438	438	438	
					2,375	2,400	239	239	239		4,450	442	442	442	442	
					2,400	2,425	241	241	241		4,500	446	446	446	446	
					2,425	2,450	244	244	244		4,550	450	450	450	450	
					2,450	2,475	246	246	246		4,600	454	454	454	454	
					2,475	2,500	249	249	249		4,650	458	458	458	458	
					2,500	2,525	251	251	251		4,700	462	462	462	462	
					2,525	2,550	254	254	254		4,750	466	466	466	466	
					2,550	2,575	256	256	256		4,800	470	470	470	470	
					2,575	2,600	259	259	259		4,850	474	474	474	474	
					2,600	2,625	261	261	261		4,900	478	478	478	478	
					2,625	2,650	264	264	264		4,950	482	482	482	482	
					2,650	2,675	266	266	266		5,000	486	486	486	486	
					2,675	2,700	269	269	269							

2005 Tax Table—Continued

[illegible]

This column must also be used by a qualified individual.

Continued on page 68)

2005 Tax Table—Continued

If line 43 (taxable income) is—	And you are—				If line 43 (taxable income) is—	And you are—				If line 43 (taxable income) is—	And you are—			
	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than
68,000	13,611	10,336	13,913	12,504	71,000	11,050	14,421	11,886	15,593	83,000	8,090	16,924	17,754	14,086
68,050	13,661	10,386	13,963	12,554	71,050	11,100	14,471	11,936	15,643	83,050	8,140	16,974	17,804	14,136
68,100	13,711	10,436	14,013	12,604	71,100	11,150	14,521	11,986	15,693	83,100	8,190	17,024	17,854	14,186
68,150	13,761	10,486	14,063	12,654	71,150	11,200	14,571	12,036	15,743	83,150	8,240	17,074	17,904	14,236
68,200	13,811	10,536	14,113	12,704	71,200	11,250	14,621	12,086	15,793	83,200	8,290	17,124	17,954	14,286
68,250	13,861	10,586	14,163	12,754	71,250	11,300	14,671	12,136	15,843	83,250	8,340	17,174	18,004	14,336
68,300	13,911	10,636	14,213	12,804	71,300	11,350	14,721	12,186	15,893	83,300	8,390	17,224	18,054	14,386
68,350	13,961	10,686	14,263	12,854	71,350	11,400	14,771	12,236	15,943	83,350	8,440	17,274	18,104	14,436
68,400	14,011	10,736	14,313	12,904	71,400	11,450	14,821	12,286	15,993	83,400	8,490	17,324	18,154	14,486
68,450	14,061	10,786	14,363	12,954	71,450	11,500	14,871	12,336	16,043	83,450	8,540	17,374	18,204	14,536
68,500	14,111	10,836	14,413	13,004	71,500	11,550	14,921	12,386	16,093	83,500	8,590	17,424	18,254	14,586
68,550	14,161	10,886	14,463	13,054	71,550	11,600	14,971	12,436	16,143	83,550	8,640	17,474	18,304	14,636
68,600	14,211	10,936	14,513	13,104	71,600	11,650	15,021	12,486	16,193	83,600	8,690	17,524	18,354	14,686
68,650	14,261	10,986	14,563	13,154	71,650	11,700	15,071	12,536	16,243	83,650	8,740	17,574	18,404	14,736
68,700	14,311	11,036	14,613	13,204	71,700	11,750	15,121	12,586	16,293	83,700	8,790	17,624	18,454	14,786
68,750	14,361	11,086	14,663	13,254	71,750	11,800	15,171	12,636	16,343	83,750	8,840	17,674	18,504	14,836
68,800	14,411	11,136	14,713	13,304	71,800	11,850	15,221	12,686	16,393	83,800	8,890	17,724	18,554	14,886
68,850	14,461	11,186	14,763	13,354	71,850	11,900	15,271	12,736	16,443	83,850	8,940	17,774	18,604	14,936
68,900	14,511	11,236	14,813	13,404	71,900	11,950	15,321	12,786	16,493	83,900	8,990	17,824	18,654	14,986
68,950	14,561	11,286	14,863	13,454	71,950	12,000	15,371	12,836	16,543	83,950	9,040	17,874	18,704	15,036
69,000	14,611	11,336	14,913	13,504	72,000	12,050	15,421	12,886	16,593	84,000	9,090	17,924	18,754	15,086
69,050	14,661	11,386	14,963	13,554	72,050	12,100	15,471	12,936	16,643	84,050	9,140	17,974	18,804	15,136
69,100	14,711	11,436	15,013	13,604	72,100	12,150	15,521	12,986	16,693	84,100	9,190	18,024	18,854	15,186
69,150	14,761	11,486	15,063	13,654	72,150	12,200	15,571	13,036	16,743	84,150	9,240	18,074	18,904	15,236
69,200	14,811	11,536	15,113	13,704	72,200	12,250	15,621	13,086	16,793	84,200	9,290	18,124	18,954	15,286
69,250	14,861	11,586	15,163	13,754	72,250	12,300	15,671	13,136	16,843	84,250	9,340	18,174	19,004	15,336
69,300	14,911	11,636	15,213	13,804	72,300	12,350	15,721	13,186	16,893	84,300	9,390	18,224	19,054	15,386
69,350	14,961	11,686	15,263	13,854	72,350	12,400	15,771	13,236	16,943	84,350	9,440	18,274	19,104	15,436
69,400	15,011	11,736	15,313	13,904	72,400	12,450	15,821	13,286	16,993	84,400	9,490	18,324	19,154	15,486
69,450	15,061	11,786	15,363	13,954	72,450	12,500	15,871	13,336	17,043	84,450	9,540	18,374	19,204	15,536
69,500	15,111	11,836	15,413	14,004	72,500	12,550	15,921	13,386	17,093	84,500	9,590	18,424	19,254	15,586
69,550	15,161	11,886	15,463	14,054	72,550	12,600	15,971	13,436	17,143	84,550	9,640	18,474	19,304	15,636
69,600	15,211	11,936	15,513	14,104	72,600	12,650	16,021	13,486	17,193	84,600	9,690	18,524	19,354	15,686
69,650	15,261	11,986	15,563	14,154	72,650	12,700	16,071	13,536	17,243	84,650	9,740	18,574	19,404	15,736
69,700	15,311	12,036	15,613	14,204	72,700	12,750	16,121	13,586	17,293	84,700	9,790	18,624	19,454	15,786
69,750	15,361	12,086	15,663	14,254	72,750	12,800	16,171	13,636	17,343	84,750	9,840	18,674	19,504	15,836
69,800	15,411	12,136	15,713	14,304	72,800	12,850	16,221	13,686	17,393	84,800	9,890	18,724	19,554	15,886
69,850	15,461	12,186	15,763	14,354	72,850	12,900	16,271	13,736	17,443	84,850	9,940	18,774	19,604	15,936
69,900	15,511	12,236	15,813	14,404	72,900	12,950	16,321	13,786	17,493	84,900	9,990	18,824	19,654	15,986
69,950	15,561	12,286	15,863	14,454	72,950	13,000	16,371	13,836	17,543	84,950	10,040	18,874	19,704	16,036
70,000	15,611	12,336	15,913	14,504	73,000	13,050	16,421	13,886	17,593	85,000	10,090	18,924	19,754	16,086
70,050	15,661	12,386	15,963	14,554	73,050	13,100	16,471	13,936	17,643	85,050	10,140	18,974	19,804	16,136
70,100	15,711	12,436	16,013	14,604	73,100	13,150	16,521	13,986	17,693	85,100	10,190	19,024	19,854	16,186
70,150	15,761	12,486	16,063	14,654	73,150	13,200	16,571	14,036	17,743	85,150	10,240	19,074	19,904	16,236
70,200	15,811	12,536	16,113	14,704	73,200	13,250	16,621	14,086	17,793	85,200	10,290	19,124	19,954	16,286
70,250	15,861	12,586	16,163	14,754	73,250	13,300	16,671	14,136	17,843	85,250	10,340	19,174	20,004	16,336
70,300	15,911	12,636	16,213	14,804	73,300	13,350	16,721	14,186	17,893	85,300	10,390	19,224	20,054	16,386
70,350	15,961	12,686	16,263	14,854	73,350	13,400	16,771	14,236	17,943	85,350	10,440	19,274	20,104	16,436
70,400	16,011	12,736	16,313	14,904	73,400	13,450	16,821	14,286	17,993	85,400	10,490	19,324	20,154	16,486
70,450	16,061	12,786	16,363	14,954	73,450	13,500	16,871	14,336	18,043	85,450	10,540	19,374	20,204	16,536
70,500	16,111	12,836	16,413	15,004	73,500	13,550	16,921	14,386	18,093	85,500	10,590	19,424	20,254	16,586
70,550	16,161	12,886	16,463	15,054	73,550	13,600	16,971	14,436	18,143	85,550	10,640	19,474	20,304	16,636
70,600	16,211	12,936	16,513	15,104	73,600	13,650	17,021	14,486	18,193	85,600	10,690	19,524	20,354	16,686
70,650	16,261	12,986	16,563	15,154	73,650	13,700	17,071	14,536	18,243	85,650	10,740	19,574	20,404	16,736
70,700	16,311	13,036	16,613	15,204	73,700	13,750	17,121	14,586	18,293	85,700	10,790	19,624	20,454	16,786
70,750	16,361	13,086	16,663	15,254	73,750	13,800	17,171	14,636	18,343	85,750	10,840	19,674	20,504	16,836
70,800	16,411	13,136	16,713	15,304	73,800	13,850	17,221	14,686	18,393	85,800	10,890	19,724	20,554	16,886
70,850	16,461	13,186	16,763	15,354	73,850	13,900	17,271	14,736	18,443	85,850	10,940	19,774	20,604	16,936
70,900	16,511	13,236	16,813	15,404	73,900	13,950	17,321	14,786	18,493	85,900	10,990	19,824	20,654	16,986
70,950	16,561	13,286	16,863	15,454	73,950	14,000	17,371	14,836	18,543	85,950	11,040	19,874	20,704	17,036
71,000	16,611	13,336	16,913	15,504	74,000	14,050	17,421	14,886	18,593	86,000	11,090	19,924	20,754	17,086

* This column must also be used by a qualifying widow(er).

(Continued on page "2")

2005 Tax Table—Continued

If line 43 (taxable income) is—	And you are—				If line 43 (taxable income) is—	And you are—				If line 43 (taxable income) is—	And you are—			
	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than
69,000	13,611	10,336	13,913	12,504	71,000	11,050	14,421	11,886	15,593	83,000	8,090	16,924	17,754	14,086
69,050	13,661	10,386	13,963	12,554	71,050	11,100	14,471	11,936	15,643	83,050	8,140	16,974	17,804	14,136
69,100	13,711	10,436	14,013	12,604	71,100	11,150	14,521	11,986	15,693	83,100	8,190	17,024	17,854	14,186
69,150	13,761	10,486	14,063	12,654	71,150	11,200	14,571	12,036	15,743	83,150	8,240	17,074	17,904	14,236
69,200	13,811	10,536	14,113	12,704	71,200	11,250	14,621	12,086	15,793	83,200	8,290	17,124	17,954	14,286
69,250	13,861	10,586	14,163	12,754	71,250	11,300	14,671	12,136	15,843	83,250	8,340	17,174	18,004	14,336
69,300	13,911													

2005 Tax Table—Continued

2005 Tax Table—Continued											
If line 43 (taxable income) is—		And you are—		If line 43 (taxable income) is—		And you are—		If line 43 (taxable income) is—		And you are—	
At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly
Your tax is—		Your tax is—		Your tax is—		Your tax is—		Your tax is—		Your tax is—	
95,000		95,000		95,000		95,000		95,000		95,000	
95,000	95,000	21,114	17,088	21,654	19,254	95,000	95,000	21,954	17,836	22,544	20,004
95,050	95,050	21,128	17,099	21,671	19,266	95,050	95,050	21,968	17,849	22,561	20,016
95,100	95,100	21,142	17,111	21,685	19,279	95,100	95,100	21,982	17,861	22,577	20,029
95,150	95,150	21,156	17,124	21,699	19,291	95,150	95,150	21,996	17,874	22,594	20,041
95,200	95,200	21,170	17,136	21,720	19,304	95,200	95,200	22,010	17,886	22,610	20,054
95,250	95,250	21,184	17,149	21,737	19,316	95,250	95,250	22,024	17,899	22,627	20,066
95,300	95,300	21,198	17,161	21,753	19,329	95,300	95,300	22,038	17,911	22,643	20,079
95,350	95,350	21,212	17,174	21,770	19,341	95,350	95,350	22,052	17,924	22,659	20,091
95,400	95,400	21,226	17,188	21,786	19,354	95,400	95,400	22,066	17,936	22,676	20,104
95,450	95,450	21,240	17,199	21,803	19,367	95,450	95,450	22,080	17,949	22,793	20,116
95,500	95,500	21,254	17,211	21,819	19,379	95,500	95,500	22,094	17,961	22,808	20,129
95,550	95,550	21,268	17,224	21,836	19,391	95,550	95,550	22,108	17,974	22,825	20,141
95,600	95,600	21,282	17,236	21,852	19,404	95,600	95,600	22,122	17,986	22,842	20,154
95,650	95,650	21,296	17,249	21,869	19,417	95,650	95,650	22,136	17,999	22,859	20,166
95,700	95,700	21,310	17,261	21,885	19,429	95,700	95,700	22,150	18,011	22,875	20,179
95,750	95,750	21,324	17,274	21,902	19,442	95,750	95,750	22,164	18,024	22,892	20,191
95,800	95,800	21,338	17,286	21,918	19,454	95,800	95,800	22,178	18,036	22,908	20,204
95,850	95,850	21,352	17,299	21,935	19,467	95,850	95,850	22,192	18,049	22,925	20,216
95,900	95,900	21,366	17,311	21,951	19,479	95,900	95,900	22,206	18,061	22,941	20,228
95,950	95,950	21,380	17,324	21,968	19,491	95,950	95,950	22,220	18,074	22,958	20,241
96,000		96,000		96,000		96,000		96,000		96,000	
96,000	96,000	21,394	17,336	21,984	19,504	96,000	96,000	22,234	18,086	22,974	20,254
96,050	96,050	21,408	17,349	22,001	19,516	96,050	96,050	22,248	18,099	22,991	20,266
96,100	96,100	21,422	17,361	22,017	19,529	96,100	96,100	22,262	18,111	23,007	20,279
96,150	96,150	21,436	17,374	22,034	19,541	96,150	96,150	22,276	18,124	23,024	20,291
96,200	96,200	21,450	17,386	22,050	19,554	96,200	96,200	22,290	18,136	23,040	20,304
96,250	96,250	21,464	17,399	22,067	19,567	96,250	96,250	22,304	18,149	23,057	20,316
96,300	96,300	21,478	17,411	22,083	19,579	96,300	96,300	22,318	18,161	23,073	20,329
96,350	96,350	21,492	17,424	22,100	19,591	96,350	96,350	22,332	18,174	23,090	20,341
96,400	96,400	21,506	17,436	22,116	19,604	96,400	96,400	22,346	18,186	23,106	20,354
96,450	96,450	21,520	17,449	22,133	19,616	96,450	96,450	22,360	18,199	23,123	20,366
96,500	96,500	21,534	17,461	22,149	19,629	96,500	96,500	22,374	18,211	23,139	20,379
96,550	96,550	21,548	17,474	22,166	19,641	96,550	96,550	22,388	18,224	23,156	20,391
96,600	96,600	21,562	17,486	22,182	19,654	96,600	96,600	22,402	18,236	23,172	20,404
96,650	96,650	21,576	17,499	22,199	19,667	96,650	96,650	22,416	18,249	23,189	20,416
96,700	96,700	21,590	17,511	22,215	19,679	96,700	96,700	22,430	18,261	23,205	20,429
96,750	96,750	21,604	17,524	22,232	19,691	96,750	96,750	22,444	18,274	23,222	20,441
96,800	96,800	21,618	17,536	22,248	19,704	96,800	96,800	22,458	18,286	23,238	20,454
96,850	96,850	21,632	17,549	22,265	19,716	96,850	96,850	22,472	18,299	23,255	20,466
96,900	96,900	21,646	17,561	22,281	19,729	96,900	96,900	22,486	18,311	23,271	20,479
96,950	96,950	21,660	17,574	22,298	19,741	96,950	96,950	22,500	18,324	23,288	20,491
97,000		97,000		97,000		97,000		97,000		97,000	
97,000	97,000	21,674	17,586	22,314	19,754	97,000	97,000	22,514	18,336	23,304	20,504
97,050	97,050	21,688	17,599	22,331	19,766	97,050	97,050	22,528	18,349	23,321	20,516
97,100	97,100	21,702	17,611	22,347	19,779	97,100	97,100	22,542	18,361	23,337	20,529
97,150	97,150	21,716	17,624	22,364	19,791	97,150	97,150	22,556	18,374	23,354	20,541
97,200	97,200	21,730	17,636	22,380	19,804	97,200	97,200	22,570	18,386	23,370	20,554
97,250	97,250	21,744	17,649	22,397	19,816	97,250	97,250	22,584	18,399	23,387	20,566
97,300	97,300	21,758	17,661	22,413	19,829	97,300	97,300	22,598	18,411	23,403	20,579
97,350	97,350	21,772	17,674	22,430	19,841	97,350	97,350	22,612	18,424	23,420	20,591
97,400	97,400	21,786	17,686	22,446	19,854	97,400	97,400	22,626	18,436	23,436	20,604
97,450	97,450	21,800	17,699	22,463	19,866	97,450	97,450	22,640	18,449	23,453	20,616
97,500	97,500	21,814	17,711	22,479	19,879	97,500	97,500	22,654	18,461	23,469	20,629
97,550	97,550	21,828	17,724	22,496	19,891	97,550	97,550	22,668	18,474	23,486	20,641
97,600	97,600	21,842	17,736	22,512	19,904	97,600	97,600	22,682	18,486	23,502	20,654
97,650	97,650	21,856	17,749	22,529	19,916	97,650	97,650	22,696	18,499	23,519	20,666
97,700	97,700	21,870	17,761	22,545	19,929	97,700	97,700	22,710	18,511	23,535	20,679
97,750	97,750	21,884	17,774	22,562	19,941	97,750	97,750	22,724	18,524	23,552	20,691
97,800	97,800	21,898	17,786	22,578	19,954	97,800	97,800	22,738	18,536	23,568	20,704
97,850	97,850	21,912	17,799	22,595	19,966	97,850	97,850	22,752	18,549	23,585	20,716
97,900	97,900	21,926	17,811	22,611	19,979	97,900	97,900	22,766	18,561	23,601	20,729
97,950	97,950	21,940	17,824	22,628	19,991	97,950	97,950	22,780	18,574	23,618	20,741

\$100,000 or over — use the Tax Computation Worksheet on page 77

This column must also be used by a qualifying widow(er).

(Continued on page 78)

* This column must also be used by a qualifying widow(er).

\$100,000 or over —
Use the Tax Computation Worksheet on page 77

2005 Tax Computation Worksheet—Line 44

See the instructions for line 44 that begin on page 17 to see if you must use the worksheet below to figure your tax.



Note. If you are required to use this worksheet to figure the tax on an amount from another form or worksheet, such as the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, Schedule J, or Form 8615, enter the amount from that form or worksheet in column (a) of the row that applies to the amount you are looking up. Enter the result on the appropriate line of the form or worksheet that you are completing.

Section A—Use if your filing status is **Single**. Complete the row below that applies to you.

Taxable income. If line 43 is—	(a) Enter the amount from line 43	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least \$100,000 but not over \$150,750	\$	× 28% (.28)	\$	\$ 4,935.00	\$
Over \$150,750 but not over \$326,450	\$	× 33% (.33)	\$	\$ 13,001.00	\$
Over \$326,450	\$	× 35% (.35)	\$	\$ 19,530.00	\$

Section B—Use if your filing status is **Married filing jointly or qualifying widow(er)**. Complete the row below that applies to you.

Taxable income. If line 43 is—	(a) Enter the amount from line 43	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least \$100,000 but not over \$117,950	\$	× 25% (.25)	\$	\$ 6,670.00	\$
Over \$117,950 but not over \$182,800	\$	× 28% (.28)	\$	\$ 10,268.00	\$
Over \$182,800 but not over \$326,450	\$	× 33% (.33)	\$	\$ 19,408.00	\$
Over \$326,450	\$	× 35% (.35)	\$	\$ 25,937.50	\$

Section C—Use if your filing status is **Married filing separately**. Complete the row below that applies to you.

Taxable income. If line 43 is—	(a) Enter the amount from line 43	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least \$100,000 but not over \$163,225	\$	× 33% (.33)	\$	\$ 9,704.25	\$
Over \$163,225	\$	× 35% (.35)	\$	\$ 12,968.75	\$

Section D—Use if your filing status is **Head of household**. Complete the row below that applies to you.

Taxable income. If line 43 is—	(a) Enter the amount from line 43	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least \$100,000 but not over \$102,900	\$	× 25% (.25)	\$	\$ 4,502.50	\$
Over \$102,900 but not over \$166,450	\$	× 28% (.28)	\$	\$ 7,586.50	\$
Over \$166,450 but not over \$326,450	\$	× 33% (.33)	\$	\$ 15,969.00	\$
Over \$326,450	\$	× 35% (.35)	\$	\$ 22,438.00	\$

Disclosure, Privacy Act, and Paperwork Reduction Act Notice

material in the administration of any Internal Revenue law.

We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, you may be charged penalties and be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Generally, tax returns and return information are confidential, as stated in Code section 6103. However, Code section 6103 allows a return to be disclosed to the Internal Revenue Service to disclose or give information shown on your tax return to other persons as necessary to obtain information which we cannot get in any other way in order to determine the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit the Comptroller General to review the Internal Revenue Service. We may disclose your tax information to committees of Congress, federal, state, and local child support agencies, and

to other federal agencies for the purposes of determining entitlement for benefits or the eligibility for and the repayment of loans. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal, state, criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

We Welcome Comments on Forms

We try to create forms and instructions that can be easily understood. Often this is difficult to do because our tax laws are very complex. For some people with income mostly from wages, filling in the forms is easy. For others who have businesses, pensions, stocks, rental income, or other investments, it is more difficult.

If you have suggestions for making these forms simpler, we would be happy to hear from you. You can email us at taxforms@irs.gov. Please put "Forms Comment" on the subject line. (If you can write to Internal Revenue Service, Tax Products Coordinating Committee, SE, W. CAR MPT T SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224, Do not send your return to this address. Instead, see the back cover.)

Form 1040, Schedule C, C-EZ, E, or F or Form 2106 or 2106-EZ. You are a "nonbusiness" filer if you did not file any of those schedules or forms with your Form 1040.

If you have comments concerning the time and expense estimates below, you can contact us at either one of the addresses shown under "We Welcome Comments on Forms on page 78."

These estimates were the latest available when the forms went to print. The most current information can be found on the IRS website at www.irs.gov.

Estimated Average Preparation Times and Out-of-Pocket Expenses by Return Preparation Method

The average time and expenses required to complete and file Form 1040, its schedules, and accompanying forms will vary depending on individual circumstances. The estimated averages are:

Taxpayer and Form Combinations for Form 1040 Filers	Self-Prepared Without Tax Software		Self-Prepared With Tax Software		Prepared by Paid Professional	
	Hours	Costs	Hours	Costs	Hours	Costs
Nonbusiness Filers *	16.1	\$17	21.8	\$42	10.9	\$172
Form 1040 and other forms and schedules, but not Schedule A or D	13.7	\$13	15.9	\$26	7.6	\$121
Form 1040, Schedule A, and other forms and schedules, but not Schedule D	16.7	\$18	22.7	\$51	12.1	\$174
Form 1040, Schedule D, and other forms and schedules, but not Schedule A	17.5	\$30	18.3	\$36	12.8	\$215
Form 1040, Schedules A and D, and other forms and schedules	27.5	\$18	37.8	\$63	18.0	\$313
Business Filers *	45.1	\$43	67.1	\$93	47.9	\$542
Form 1040, Schedule C or C-EZ, and other forms and schedules, but not Schedule E or F or Form 2106 or 2106-EZ	48.0	\$19	80.2	\$88	55.4	\$329
Form 1040, Schedule E, and other forms and schedules, but not Schedule C, C-EZ, or F or Form 2106 or 2106-EZ	34.1	\$72	49.0	\$65	36.6	\$685
Form 1040 and Schedule F and other forms and schedules, but not Schedule C, C-EZ, or F or Form 2106 or 2106-EZ	44.8	\$15	62.8	\$102	49.7	\$296
Form 1040, Form 2106 or 2106-EZ, and other forms and schedules, but not Schedule C, C-EZ, E, or F	35.9	\$17	45.7	\$67	27.7	\$349
Form 1040 and forms and schedules including more than one Schedule C, C-EZ, E, or F or Form 2106 or 2106-EZ	66.0	\$128	80.5	\$177	62.4	\$866

* You are a "business" filer if you file one or more of the following with your Form 1040, its schedules, and accompanying forms by taxpayer activities is shown below "nonbusiness" filer if you did not file any of those schedules or forms with your Form 1040.

Estimated Average Preparation Time by Taxpayer Activities

The average time needed to complete and file Form 1040, its schedules, and accompanying forms by taxpayer activities is shown below.

Taxpayer and Form Combinations for Form 1040 Filers	Average Time (Hours)			
	Total	Record-Keeping	Tax Planning	Form Completion
Nonbusiness Filers	12.9	5.7	2.5	2.9
Business Filers	51.4	36.5	5.1	4.4

Order Blank for Forms and Publications

The most frequently ordered forms and publications are listed on the order blank below. You will receive two copies of each form and one copy of each publication you order. To help reduce waste, please order only the items you need, such as by Internet, see page 78.



For faster ways of getting the items you need, such as by Internet, see page 78.

How To Use the Order Blank

Circle the items you need on the order blank below. Use the blank spaces to order items not listed. If you need more space, attach a separate sheet of paper.

Do not send your tax return to the address listed below. Instead, see the back cover.

Mail Your Order Blank To:

Internal Revenue Service
National Distribution Center
P.O. Box 8903
Bloomington, IL 61702-8903

Order Blank

Fill in your name and address

Name

Postal mailing address

City

State

ZIP code

Foreign country

Appt./Suite/Room

Daytime phone number

International postal code

Instead of using this order blank, you can go to www.irs.gov to download or order these and other products. You can get the items to hold at many IRS offices, post offices, and libraries.

1040	Schedule F (1040)	Schedule 3 (1040A)	4506	8822	Pub. 501	Pub. 535	Pub. 926
Schedules A & B (1040)	Schedule H (1040)	1040EZ	4562	8829	Pub. 502	Pub. 547	Pub. 970
Schedule C (1040)	Schedule J (1040)	1040-ES (2006)	4684	8863	Pub. 505	Pub. 550	Pub. 972
Schedule C-EZ (1040)	Schedule R (1040)	1040-V	4868	9465	Pub. 523	Pub. 554	
Schedule D (1040)	Schedule SE (1040)	1040X	6251	Pub. 1	Pub. 525	Pub. 575	
Schedule D-1 (1040)	1040A	2106	8283	Pub. 17	Pub. 526	Pub. 590	
Schedule E (1040)	Schedule I (1040A)	2106-EZ	8606	Pub. 334	Pub. 527	Pub. 596	
Schedule EIC (1040A or 1040)	Schedule 2 (1040A)	2441	8812	Pub. 463	Pub. 529	Pub. 910	

N

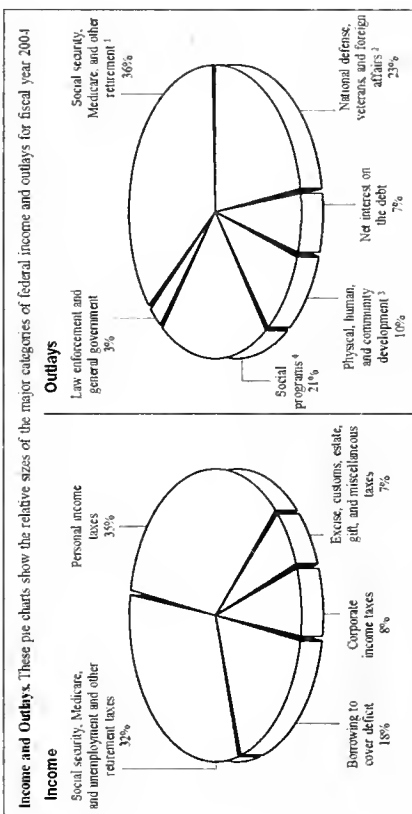
cludes type of taxpayer, preparation method, filing method, and taxpayer activities. The new estimates of taxpayer burden shown below were developed by the IRS to better measure and understand the burden taxpayers experience when preparing their taxes. These estimates of average preparation times and out-of-pocket expenses are based on a new survey of taxpayers and a more accurate method of estimating taxpayer burden. They focus on taxpayer characteristics and activities, rather than forms, and replace the burden estimates shown in prior year tax instructions. The information collected to figure the new estimates includes:

These changes create a one-time shift in estimates of burden levels. Comparisons should not be made between these and earlier published estimates.

To determine the average burden of taxpayers like you, select the row in the table below that applies to you. You are a "business" filer if you file one or more of the following with your Form 1040:

The average time and expenses required to complete and file Form 1040, its schedules, and accompanying forms will vary depending on individual circumstances. The estimated averages are:

Major Categories of Federal Income and Outlays for Fiscal Year 2004



On or before the first Monday in February of each year, the President is required by law to submit to the Congress a budget proposal for the fiscal year that begins the following October. The budget plan sets forth the President's proposed receipts, spending, and the surplus or deficit for the Federal Government. The plan includes recommendations for new legislation as well as recommendations to change, eliminate, and add programs. After receiving the President's proposal, the Congress reviews it and makes changes. It first passes a budget resolution setting its own targets for receipts, outlays, and the surplus or deficit. Next, individual spending and revenue bills that are consistent with the goals of the budget resolution are enacted.

In fiscal year 2004 (which began on October 1, 2003, and ended on September 30, 2004), federal income was \$1.9 trillion and

outlays were \$2.3 trillion, leaving a deficit of \$0.4 trillion.

Footnotes for Certain Federal Outlays

1 Social security, Medicare, and other retirement: These programs provide income support for the retired and disabled and medical care for the elderly.

2 National defense, veterans, and foreign affairs: About 19% of outlays were to equip, modernize, and pay our armed forces and to fund other national defense activities, about 3% were for veterans benefits and services, and about 1% were for international activities, including military and economic assistance to foreign countries and the maintenance of U.S. embassies abroad.

3 Physical, human, and community development: These outlays were for agriculture, natural resources, environment, transportation, aid for elementary and secondary education, and direct assistance to college students, job training, deposit insurance, commerce and housing credit, and community development, and space, energy, and general science programs.

4 Social programs: About 14% of total outlays were for Medicaid, food stamps, temporary assistance for needy families, supplemental security income, and related programs, and the remaining outlays were for health research and public health programs, unemployment compensation, assisted housing, and social services.

Note: The percentages on this page exclude unsubsidized alienating receipts, which were \$9.9 billion in fiscal year 2004. In the budget, these receipts are offset against spending in financing the outlay tools shown above. These receipts are for the U.S. Government's share of its employee retirement programs, rents and royalties on the Outer Continental Shelf, and proceeds from the sale of assets.

2005 Tax Rate Schedules



The Tax Rate Schedules are shown so you can see the tax rate that applies to all levels of taxable income. Do not use them to figure your tax. Instead, see the instructions for line 44 that begin on page 57.

Schedule X—If your filing status is Single

If your taxable income is	But not over—	The tax is	of the amount over—
Over—	Over—		
\$0	\$7,300	10%	\$0
7,300	29,700	\$730.00 + 15%	7,300
29,700	71,950	4,090.00 + 25%	29,700
71,950	150,150	14,662.50 + 28%	71,950
150,150	326,450	39,549.50 + 33%	150,150
326,450	...	94,727.50 + 35%	326,450

Schedule Y-1—If your filing status is Married filing jointly or Qualifying widow(er)

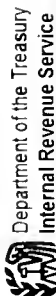
If your taxable income is	But not over—	The tax is	of the amount over—
Over—	Over—		
\$0	\$14,600	10%	\$0
14,600	59,400	\$1,460.00 + 15%	14,600
59,400	119,950	8,180.00 + 25%	59,400
119,950	182,800	23,317.50 + 28%	119,950
182,800	326,450	40,915.50 + 33%	182,800
326,450	...	89,320.00 + 35%	326,450

Schedule Y-2—If your filing status is Married filing separately

If your taxable income is	But not over—	The tax is	of the amount over—
Over—	Over—		
\$0	\$7,300	10%	\$0
7,300	29,700	\$730.00 + 15%	7,300
29,700	59,975	4,090.00 + 25%	29,700
59,975	91,400	11,658.75 + 28%	59,975
91,400	163,225	20,457.75 + 33%	91,400
163,225	...	44,160.00 + 35%	163,225

Schedule Z—If your filing status is Head of household

If your taxable income is	But not over—	The tax is	of the amount over—
Over—	Over—		
\$0	\$10,450	10%	\$0
10,450	39,600	\$1,045.00 + 15%	10,450
39,600	102,800	5,447.50 + 25%	39,600
102,800	211,975.00	21,197.50 + 28%	102,800
211,975.00	326,450	39,019.50 + 33%	211,975.00
326,450	...	91,819.50 + 35%	326,450



2005 Instructions for Schedules A & B (Form 1040)

Instructions for Schedule A, Itemized Deductions

Use Schedule A (Form 1040) to figure your itemized deductions. In most cases, your federal income tax will be less if you take the larger of your itemized deductions or your standard deduction.

If you itemize, you can deduct a part of your medical and dental expenses and unreimbursed employee business expenses, and amounts you paid for certain taxes, interest, contributions, and miscellaneous expenses. You can also deduct certain casualty and theft losses.

If you and your spouse paid expenses jointly and are filing separate returns for 2005, see Pub. 504 to figure the portion of joint expenses that you can claim as itemized deductions.



Do not include on Schedule A items deducted elsewhere, such as on Form 1040 or Schedule C, C-EZ, E, or F.

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

- Certain cash contributions paid after August 27, 2005, are not subject to the overall limitation on itemized deductions or the 50% adjusted gross income limitation. See the instructions for line 15b on page A-7.
- Casualty and theft losses that occurred in the Hurricane Katrina disaster area after August 24, 2005, are not subject to the \$100 and the 10% adjusted gross income limitations if the loss was caused by Hurricane Katrina. See the instructions for line 19 on page A-8.
- The 2005 rate for use of your vehicle to get medical care is 15 cents a mile (22 cents a mile after August 31, 2005).
- The 2005 rate for charitable use of your vehicle to provide relief related to Hurricane Katrina is 29 cents a mile after August 24, 2005 (34 cents a mile after August 31, 2005).
- If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you must attach a statement from the charitable organization to your return. See the instructions for line 16 that begin on page A-7.
- If you elected to deduct contributions made in January 2005 for the relief of victims of the Indian Ocean tsunami on your 2004 return, you cannot deduct the contributions for 2005. See *Contributions You Cannot Deduct* on page A-7.
- Special rules apply to certain contributions of food inventory and book inven-

Examples of Medical and Dental Payments You Can Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Insurance premiums for medical and dental care, including premiums for qualified long-term care contracts as defined in Pub. 502. But see *Limit on long-term care premiums you can deduct* on page A-2. Reduce the insurance premiums by any self-employed health insurance deduction you claimed on Form 1040, line 29.

If, during 2005, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA recipient, or Pension Benefit Guaranty Corporation pension recipient, you must reduce your insurance premiums by any amounts used to figure the health coverage tax credit. See the instructions for line 1 on page A-2.

Medical and Dental Expenses

You can deduct only the part of your medical and dental expenses that exceeds 7.5% of the amount on Form 1040, line 38.

Pub. 502 discusses the types of expenses that you can and cannot deduct. It also explains when you can deduct capital expenses and special care expenses for disabled persons.



If you received a distribution from a health savings account or a medical savings account in 2005, see Pub. 969 to figure your deduction.



- Prescription medicines or insulin.
- Acupuncture, chiropractors, dentists, eye doctors, medical doctors, occupational therapists, osteopathic doctors, physical therapists, podiatrists, psychiatrists, psychoanalysts (medical care only), and psychologists.
- Medical examinations. X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Nursing help (including your share of the employment taxes paid). If you paid someone to do both nursing and house-

Examples of Medical and Dental Payments You Cannot Deduct

- The basic cost of Medicare insurance (Medicare A).



If you were age 65 or older but not entitled to social security benefits, you can deduct premiums you voluntarily paid for Medicare A coverage.

- The cost of diet food.
- Cosmetic surgery unless it was necessary to improve a deformity related to a congenital abnormality, an injury from an accident or trauma, or a disfiguring disease.
- Life insurance or income protection policies.

The Medicare tax on your wages and tips or the Medicare tax paid as part of the self-employment tax or household employment taxes.

Nursing care for a healthy baby. But you may be able to take a credit for the amount you paid. See the instructions for Form 1040, line 48.

- Illegal operations or drugs.
- Imported drugs not approved by the U.S. Food and Drug Administration (FDA). This includes foreign-made versions of U.S.-approved drugs manufactured without FDA approval.
- Nonprescription medicines (including nicotine gum and certain nicotine patches).
- Travel your doctor told you to take for rest or a change.
- Funeral, burial, or cremation costs.

Line 1 Medical and Dental Expenses

Enter the total of your medical and dental expenses (see page A-1), after you reduce these expenses by any payments received from insurance or other sources. See *Reimbursements* on this page.



Do not forget to include insurance premiums you paid for medical and dental care. But if you claimed the self-employed health insurance deduction on Form 1040, line 29, reduce the premiums by the amount on line 29.

If, during 2005, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA recipient, or Pension Benefit Guaranty Corporation pension recipient, you must complete Form 8885 before completing Schedule A, line 1. When figuring the amount of insurance premiums you can deduct on Schedule A, do not include any health coverage tax credit advance payments shown in box 1 of Form 1099-H. Also, subtract the amount

shown on Form 8885, line 4 (reduced by any advance payments shown on line 6 of that form), from the total insurance premiums you paid.

Whose medical and dental expenses can you include? You can include medical and dental bills you paid for:

- Yourself and your spouse.
- All dependents you claim on your return.
- Your child when you do not claim as a dependent because of the rules for children of divorced or separated parents.
- Any person you could have claimed as a dependent on your return except that person received \$3,200 or more of gross income or filed a joint return.
- Any person you could have claimed as a dependent except that you, or your spouse if filing jointly, can be claimed as a dependent on someone else's 2005 return.

Example. You provided over half of your mother's support but cannot claim her as a dependent because she received wages of \$3,200 in 2005. You can include on line 1 any medical and dental expenses you paid in 2005 for your mother.

Reimbursements. If your insurance company paid the provider directly for part of your expenses, and you paid only the amount that remained, include on line 1 only the amount you paid. If you received a reimbursement in 2005 for medical or dental expenses you paid in 2005, reduce your 2005 expenses by this amount. If you received a reimbursement in 2005 for prior year medical or dental expenses, do not reduce your 2005 expenses by this amount. But if you deducted the expenses in the earlier year and the deduction reduced your tax, you must include the reimbursement in income on Form 1040, line 21. See Pub. 502 for details on how to figure the amount to include.

Cafeteria plans. Do not include on line 1 insurance premiums paid by an employer-sponsored health insurance plan (cafeteria plan) unless the premiums are included in box 1 of your Form(s) W-2. Also, do not include any other medical and dental expenses paid by the plan unless the amount paid is included in box 1 of your Form(s) W-2.

Taxes You Paid Taxes You Cannot Deduct

- Federal income and excise taxes.
- Social security, Medicare, federal unemployment (FUTA), and railroad retirement (RRTA) taxes.
- Customs duties.
- Federal estate and gift taxes. But see the instructions for line 27 on page A-9.

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Yes" box and your local general sales tax rate changed during 2005, figure the rate to enter on line 3 as follows. Multiply each tax rate by the period it was in effect by a fraction. The numerator of the fraction is the number of days the rate was in effect during 2005 and the denominator is the total number of days in the year (365). Enter the total of the prorated tax rates on line 3.

Line 3. If you lived in Virginia, check the "No" box. Your state and local general sales taxes are combined in the table on page A-11.

If you lived in Nevada, check the "No" box if your combined state and local gen-

If you lived in more than one locality in the same state and the local general sales tax rate was the same for each locality, enter the total of the prorated table amounts for each locality in that state on line 2. Otherwise, complete a separate worksheet for each 2 through 6 for each locality and enter each prorated table amount on line 2 of the applicable worksheet.

Example. You lived in Locality 1 from January 1 through August 31, 2005 (243 days), and in Locality 2 from September 1 through December 31, 2005 (122 days). The table amount for Locality 1 is \$100. The table amount for Locality 2 is \$150.

1. Enter your state general sales taxes from the applicable table on page A-10 or A-11 (see instructions).
2. Did you live in Alaska, Arizona, Arkansas (Texasiana only), California (Los Angeles County only), Colorado, Georgia, Illinois, Louisiana, New York (New York City only), or North Carolina in 2005?

3. Did your locality impose a local general sales tax in 2005? Virginia residents, check the "No" box. Residents of California, Nevada, and Texas, see the instructions.

☐ **Yes.** Enter your local general sales tax rate, but omit percentages (for example, if your local general sales tax rate was 2.5%, enter 2.5). If your local general sales tax rate changed or you lived in more than one locality in the same state during 2005, see instructions.

☐ No. Skip lines 4 and 5 and go to line 6

☐ **Yes.** Enter your state general sales tax rate (from the table heading for your state), but omit percentages. For example, if your state general sales tax rate is 6%, enter 60.

5. Divide line 3 by line 4. Enter the result as a decimal (rounded to at least three places) 5.

☐ No. Multiply line 2 by line 3

☐ Yes. Multiply line 1 by line 3. If you lived in more than one locality in the same state during 2005, see instructions.

7. Enter your general sales taxes paid on specified items, if any (see instructions)

8. **Deduction for general sales taxes.** Add lines 1, 6, and 7. Enter the result here and the total from all your worksheets, if applicable, on Schedule A, line 5. Be sure to check **box b** on that line.

Note: If you elect to deduct general sales taxes, you cannot deduct your state and local income taxes.

A-4

- **Public assistance payments**—The exemptions column refers to the number of exemptions claimed on Form 1040, line 6d. Do not include any additional exemptions you listed on Form 8914 for individuals.

What if you lived in more than one state during 2005? If you lived in more than one state during 2005, look up the table amount for each state using the above rules. If there is no table for your state, the table amount is considered to be zero. Multiply the table amount for each state you lived in by the fraction. The numerator of the fraction is the number of days you lived in the state during 2005, and the denominator is the total number of days in the year (365). Enter the total of the prorated table amounts for each state on line 1. However, if you also lived in a locality during 2005 that imposed a local general sales tax, do not enter the amount on line 1. Instead, complete a separate worksheet for each state you lived in and enter the prorated amount for that state on line 1.

Example. You lived in State A from January 1 through August 31, 2005 (243 days), and in State B from September 1 through December 31, 2005 (122 days). The taxable amount for State A is \$500. The taxable amount for State B is \$300. You would figure your state general sales tax as follows:

State A	$\$500 \times 243/365 =$	$\$333$
State B	$\$400 \times 122/365 =$	134
Total		<u>$\\$467$</u>

If none of the localities in which you resided during 2005 imposed a local general sales tax, enter \$467 on line 1 of your worksheet. Otherwise, complete a separate worksheet for State A and State B. Enter 3333 on line 1 of the State A worksheet and 1134 on line 1 of the State B worksheet.

Line 2. If you checked the "No," box, enter **0**. If you checked the "Yes," box and lived in the applicable locality for all of 2005, enter the applicable amount, based on your 2005 in-state income. If you checked the "Yes," box and lived in the applicable locality for part of 2005, enter the applicable amount, based on your 2005 in-state income. For more information on the local sales tax table for your locality on page A-12. Read down the "At least." But less than" columns for your locality and across the line that includes your 2005 income. See the line 1 instructions on this page to figure your 2005 income. The exemption column refers to the number of exemptions claimed on Form 1040, line 6d. Do not include any additional exemptions claimed on Form 8914 for individuals displaced by Hurricane Katrina.

What if you lived in more than one locality? If you lived in more than one locality during 2005, look up the table amount

Do not include sales taxes paid on items used in your trade or business

! You must keep your actual receipts showing general sales taxes paid to use this method

Refund of general sales taxes. If you received a refund of state or local general sales taxes in 2005 for amounts paid in 2005, reduce your 2005 state and local general sales taxes by this amount. If you received a refund of state or local general sales taxes in 2005 for prior year purchases, do not reduce your 2005 state and local general sales taxes by this amount. But if you deducted your state and local general sales taxes in the earlier year and the deduction on reduced your tax, you may have to include the refund in income on Form 1040, line 21. See Recoveries in Pub. 525 or details.

Instead of using your actual expenses, you can use the tables on pages A-10 through A-12 to figure your state and local general sales tax deduction. You may also be able to add the state and local general sales taxes and on certain specified items

To figure your state and local general sales tax deduction using the tables, complete the worksheet on page A-4.

... Instead of completing the worksheet, you can use the 2005 Sales Tax Calculator on the IRS website at www.irs.gov/pub/irs-soi/05SalesTaxCalc05.xls

If your filing status is married
filing separately, both you and
your spouse elect to deduct
sales taxes, **and** your spouse
elects to use the optional sales tax tables,
you also must use the tables to figure your
state and local general sales tax deduction.

line 1. If you lived in the same state for all of 2005, enter the applicable amount, based on your 2005 income and exemptions, from your 2005 income sales tax table for your optional state sales tax table for your state on page A-10 of A-11. Read down the "Amount" column and across to the "Amount." At least two columns for your state and find the line that includes your 2005 income. If married filing separately, do not include your spouse's income. Your 2005 income is the amount shown on your 1040, line 38, plus any nontaxable items, such as the following:

- Tax-exempt interest
- Veterans' benefits

A-3

line 5

CAUTION

You can elect to deduct state and local general sales taxes instead of state and local income taxes. **You cannot deduct**

If you deduct state and local income taxes, check **box a** on line 5. Include on this line the state and local income taxes listed below.

- State and local income taxes withheld on your salary during 2005. Your amounts W-2 will show these amounts forms W-2G, 1099-G, 1099-R, and 1099-MISC may also show state and local income taxes withheld.

- State and local income taxes paid in 2005 for a prior year, such as taxes paid with your 2004 state or local income tax return. Do not include penalties or interest.

- State and local estimated tax payments made during 2005, including any part of a prior year refund that you chose to have credited to your 2005 state or local income taxes.

- Mandatory contributions you made to the California, New Jersey, or New York Occupational Disability Benefit Fund, Rhode Island Temporary Disability Benefit Fund, or Washington State Supplemental Workmen's Compensation Fund

- Do not reduce your deduction by any
- State or local income tax refund or credit you expect to receive for 2005, or
- Refund of, or credit for, prior year state and local income taxes you actually received in 2005. Instead, see the instructions for Form 1040, line 10.

If you elect to deduct state and local general sales taxes, you **must** check **box b** on line 13. To figure your deduction, you can use either your actual expenses or the optional sales tax tables.

Generally, you can deduct the actual state and local general sales taxes (including compensating use taxes) you paid in 2005 if the tax rate was the same as the general sales tax rate. However, sales taxes on food, clothing, medical supplies, and motor vehicles are deductible as a general sales tax even if the tax rate was less than the general sales tax rate. Sales taxes on motor vehicles are also deductible as a general sales tax if the tax rate was more than the

If your mortgage payments include your real estate taxes, you can deduct only the amount the mortgage company actually paid to the taxing authority in 2005.

If you sold your home in 2005, any real estate tax charged to the buyer should be shown on your settlement statement and in box 5 of any Form 1098-S you received. This amount is considered a refund of real estate taxes. See **Refunds and rebates below**. Any real estate taxes you paid at closing should be shown on your settlement statement.

Refunds and rebates. If you received a refund or rebate in 2005 of real estate taxes you paid in 2005, reduce your deduction by the amount of the refund or rebate. If you received a refund or rebate in 2005 of real estate taxes you paid in an earlier year, do not reduce your deduction by this amount. Instead, you must include the refund or rebate in income on Form 1040, line 21, if you deducted the real estate taxes in the earlier year and the deduction reduced your tax. See **Recoveries** in Pub 525 for details on how to figure the amount to include in income.

Line 7

Personal Property Taxes

Enter personal property tax you paid, but only if it is based on value alone and it is charged on a yearly basis.

Example. You paid a yearly fee for the registration of your car. Part of the fee was based on the car's value and part was based on its weight. You can deduct only the part of the fee that was based on the car's value.

Line 8

Other Taxes

If you had any deductible tax not listed on line 5, 6, or 7, list the type and amount of tax. Enter only one total on line 8. Include on this line income tax you paid to a foreign country or U.S. possession.



You may want to take a credit for the foreign tax instead of a deduction. See the instructions for Form 1040, line 47, for details.

Interest You Paid

Whether your interest expense is treated as investment interest, personal interest, or business interest depends on how and when you used the loan proceeds. See Pub 535 for details.

In general, if you paid interest in 2005 that applies to any period after 2005, you can deduct only amounts that apply for 2005.

of tax you would have paid at the general sales tax rate.

2. An aircraft or boat, if the tax rate was the same as the general sales tax rate.

3. A home (including a mobile home or prefabricated home) or substantial addition to or major renovation of a home, but only if the tax rate was the same as the general sales tax rate and any of the following applies:

a. Your state or locality imposes a general sales tax directly on the sale of a home or on the cost of a substantial addition or major renovation.

b. You purchased the materials to build a home or substantial addition or to perform a major renovation, and the contractor is considered your agent in the construction of the home or substantial addition. The contract must state that the contractor is authorized to act in your name and must follow your directions on construction decisions. In this case, you will be considered to have purchased any items subject to a sales tax, and to have paid the sales tax directly.

Do not include sales taxes paid on items used in your trade or business. If you received a refund of state or local general sales taxes in 2005, see **Refund of general sales taxes** on page A-3.

Line 6

Real Estate Taxes

Include taxes (state, local, or foreign) you paid on real estate you own that was not paid for business, but only if the taxes are based on the assessed value of the property. Also, the assessment must be made uniformly on property throughout the community, and the proceeds must be used for general community or governmental purposes. Pub 530 explains the deductions homeowners can take.

Do not include the following amounts on line 6:

• Itemized charges for services to specific property or persons (for example, a \$20 monthly charge per house for trash collection, a \$5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under a local ordinance).

• Charges for improvements that tend to increase the value of your property (for example, an assessment to build a new sidewalk). The cost of a property improvement is added to the basis of the property. However, a charge is deductible if it is used only to maintain an existing public facility in service (for example, a charge to repair an existing sidewalk, and any interest included in that charge).

Do not include the following amounts on line 6:

• Itemized charges for services to specific property or persons (for example, a \$20 monthly charge per house for trash collection, a \$5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under a local ordinance).

• Charges for improvements that tend to increase the value of your property (for example, an assessment to build a new sidewalk). The cost of a property improvement is added to the basis of the property. However, a charge is deductible if it is used only to maintain an existing public facility in service (for example, a charge to repair an existing sidewalk, and any interest included in that charge).

Do not include the following amounts on line 6:

• Itemized charges for services to specific property or persons (for example, a \$20 monthly charge per house for trash collection, a \$5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under a local ordinance).

Example. Locality 1 imposed a 1% local general sales tax from January 1 through September 30, 2005 (273 days). The rate increased to 1.75% for the period from October 1 through December 31, 2005 (92 days). You would enter "1.180" on line 3, figured as follows:

January 1 - September 30	1.00 x 273.365 =	0.718
October 1 - December 31	1.75 x 92.365 =	0.411
Total		1.189

What If You Lived in more than one locality in the same state during 2005?

Complete a separate worksheet for lines 2 through 6 for each locality in your state if you lived in more than one locality in the same state during 2005 and either of the following applies:

- Each locality did not have the same local general sales tax rate.
- You lived in Texas, Arizona, Los Angeles County, CA, or New York, NY.

To figure the amount to enter on line 3 of the worksheet for each locality in which you lived (except a locality for which you used the table on page A-12 to figure your local general sales tax deduction), multiply the local general sales tax rate by a fraction. The numerator of the fraction is the number of days you lived in the locality during 2005 and the denominator is the total number of days in the year (365).

Example. You lived in Locality 1 from January 1 through August 31, 2005 (231 days), and in Locality 2 from September 1 through December 31, 2005 (122 days). The local general sales tax rate for Locality 1 is 1%. The rate for Locality 2 is 1.75%. You would enter "0.666" on line 3 for the Locality 1 worksheet and "0.585" for the Locality 2 worksheet, figured as follows:

Locality 1	1.00 x 231.365 =	0.660
Locality 2	1.75 x 122.365 =	0.585

Line 6. If you lived in more than one locality in the same state during 2005, you should have completed line 1 only on the first worksheet for that state and separate worksheets for lines 2 through 6 for any other locality within that state in which you lived during 2005. If you checked the "Yes" box on line 6 of any of those worksheets, multiply line 5 of that worksheet by the amount that you entered on line 1 for that state on the first worksheet.

Line 7. Enter on line 7 any state and local general sales taxes paid on the following specified items if you are completing more than one worksheet, include the total for line 7 on only one of the worksheets:

1. A motor vehicle (including a car, motorcycle, motor home, recreational vehicle, sport utility vehicle, truck, van, and off-road vehicle). Also include any state and local general sales taxes paid for a leased motor vehicle if the state sales tax on these items is higher than the general sales tax rate, only include the amount

If you paid more interest to the recipient than is shown on Form 1098, see Pub. 936 to find out if you can deduct the additional interest. If you can, attach a statement explaining the difference and enter "See attached" to the right of line 10.



If you are claiming the mortgage interest credit for holders of qualified mortgage credit certificates issued by state or local governmental units or agencies, subtract the amount shown on Form 936, line 3, from the total deductible interest you paid on your home mortgage. Enter the result on line 10.

Line 11

If you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 11.

If you bought your home from the recipient, be sure to show that recipient's name, identifying no., and address on the dotted lines next to line 11. If the recipient is an individual, the identifying no. is his or her social security number (SSN). Otherwise, it is the employer identification number. You must also let the recipient know your SSN. If you do not show the required information about the recipient or let the recipient know your SSN, you may have to pay a \$50 penalty.

Gifts to Charity

You can deduct contributions or gifts you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals. Certain whaling captains may be able to deduct expenses paid in 2005 for whale Alaskan subsistence bowhead whale hunting activities. See Pub. 526 for details.

To verify an organization's charitable status, you can:

- Check with the organization to which you made the donation. The organization should be able to provide you with verification of its charitable status.
- See Pub. 78 for a list of most qualified organizations. You can access Pub. 78 on the IRS website at www.irs.gov/undercharities and www.irs.gov/undercharities.
- Call our Tax Exempt Government Entities Customer Account Services at 1-877-829-5500. Assistance is available Monday through Friday from 8 a.m. to 5:30 p.m. Eastern Time.

Examples of Qualified Charitable Organizations

- Churches, mosques, synagogues, temples, etc.
- Boy Scouts, Boys and Girls Clubs of America, CARE, Girl Scouts, Goodwill Industries, Red Cross, Salvation Army, United Way, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' and certain cultural groups.

Line 13

Investment Interest

Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to passive activities or to securities that generate tax-exempt income.

Complete and attach Form 4952 to figure your deduction.

Exception. You do not have to file Form 4952 if all three of the following apply:

1. Your investment interest expense is not more than your investment income from interest and ordinary dividends minus any qualified dividends.
2. You have no other deductible investment expenses.
3. You have no disallowed investment interest expense from 2004.



Alaska Permanent Fund dividends, including those reported on Form 981-A, are not investment income.

For more details, see Pub. 550.

- Expenses of adopting a child. But you may be able to take a credit for adoption expenses. See Form 8839 for details.
- Fines and penalties.
- Expenses of producing tax-exempt income.

Line 20

Unreimbursed Employee Expenses

Enter the total ordinary and necessary job expenses you paid for which you were not reimbursed. (Amounts your employer included in box 1 of your Form W-2 are not considered reimbursements.)

An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.

But you must fill in and attach Form 2106 if either (1) or (2) below applies:

1. You claim any travel, transportation, meal, or entertainment expenses for your job.
2. Your employer paid you for any of your job expenses reportable on line 20.



TIP If you used your own vehicle and (2) above does not apply, you may be able to file Form 2106-EZ instead.

If you do not have to file Form 2106 or 2106-EZ, list the type and amount of each expense on the dotted line next to line 20. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 20.



CAUTION Do not include on line 20 any educator expenses you deducted on Form 1040, line 23.

Examples of other expenses to include on line 20 are:

- Safety equipment, small tools, and supplies needed for your job.
- Uniforms required by your employer that are not suitable for ordinary wear.
- Protective clothing required in your work, such as hard hats, safety shoes, and glasses.
- Physical examinations required by your employer.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job if you do not get a present occupation, even if you do not get a new job.
- Certain business use of part of your home. For details, including limits that apply, use the tax topic 309 (see page 8 of this publication).

deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution.

You can deduct nonbusiness casualty or theft losses only to the extent that:

1. The amount of each separate casualty or theft loss is more than \$100, and
2. The total amount of all losses during the year (reduced by the \$100 limit discussed in (1) above) is more than 10% of the amount on Form 1040, line 38.



TIP The limits in items (1) and (2) above do not apply to casualty and theft losses that occurred in the Hurricane Katrina disaster area after August 24, 2005, if the loss was caused by Hurricane Katrina. See Form 4684 and its instructions for details.

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. See Form 4684 and its instructions for details.

Use Schedule A, line 22, to deduct the costs of proving that you had a property loss. Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.

For information on federal disaster area losses, see Pub 547. For information on tax benefits related to Hurricane Katrina, see Pub 4492.

Job Expenses and Certain Miscellaneous Deductions

You can deduct only the part of these expenses that exceeds 2% of the amount on Form 1040, line 38.

Pub 529 discusses the types of expenses that can and cannot be deducted.

Examples of Expenses You Cannot Deduct

- Political contributions.
- Personal legal expenses.
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Commuting expenses. See Pub 529 for the definition of commuting.
- Travel expenses for employment away from home if that period of employment exceeds 1 year. See Pub 529 for an exception for certain federal employees.
- Travel as a form of education.
- Expenses of attending a seminar, convention, or similar meeting unless it is related to your employment.
- Club dues. See Pub 529 for exceptions.

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For more details on determining the value of donated property, see Pub 561.

If the amount of your deduction is more than \$500, you must complete and attach Form 8283. For this purpose, the "amount of your deduction" means your deduction before applying any income limitations that could result in a carryover of contributions. If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you must also attach a statement from the charitable organization to your return. If your total deduction is over \$5,000, you may also have to get appraisals of the values of the donated property. See Form 8283 and its instructions for details.

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the date and location of the gift and address the organization's name and address. For each gift of property, you should also keep reliable written records that include:

- How you figured the property's value at the time you gave it. If the value was determined by an appraisal, keep a signed copy of the appraisal.
- The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.
- How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.
- Any conditions attached to the gift.



CAUTION If your total deduction for gifts of property is over \$500, you must complete and attach Form 8283. For this purpose, the "amount of your deduction" means your deduction before applying any income limitations that could result in a carryover of contributions. If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you must also attach a statement from the charitable organization to your return. If your total deduction is over \$5,000, you may also have to get appraisals of the values of the donated property. See Form 8283 and its instructions for details.

Line 17

Carryover From Prior Year

Enter any carryover of contributions that you could not deduct in an earlier year because they exceeded your adjusted gross income limit. See Pub 526 for details.

Casualty and Theft Losses

Line 19

Complete and attach Form 4684 to figure the amount of your loss to enter on line 19. You may be able to deduct part or all of each loss caused by theft, vandalism, fire, storm, or similar causes, and car, boat, and other accidents. You may also be able to

cash, and Mexican charities. See Pub 526 for details.

- Gifts to organizations engaged in certain political activities that are of direct financial interest to your trade or business. See section 170(f)(9).
- Gifts to groups whose purpose is to lobby for changes in the laws.
- Gifts to civic leagues, social and sports clubs, labor unions, and chambers of commerce.
- Value of benefits received in connection with a contribution to a charitable organization. See Pub 526 for exceptions.

Line 15a

Total Gifts by Cash or Check

Enter on line 15a the total gifts you made in cash or by check (including out-of-pocket expenses).

Line 15b

Qualified Contributions

In general, you can elect to treat gifts by cash or check as qualified contributions if the gifts were paid after August 21, 2005, to a qualified charitable organization (other than certain private foundations described in section 509(a)(3)). Qualified contributions are not subject to the overall limitation on itemized deductions or the 50% adjusted gross income limitation.

Qualified contributions do not include contributions to organizations for which cash gifts are subject to a limit based on 30% of your adjusted gross income (such as contributions to veterans' organizations, fraternal societies, nonprofit cemeteries, and certain private nonoperating foundations). Also, qualified contributions do not include any contributions to a segregated fund or account for which you (or any person appointed or designated by you) have, or reasonably expect to have, advisory privileges with respect to distributions or investments based on your contribution.

Certain limits may apply if your qualified contributions are more than the amount on Form 1040, line 38, minus all other allowable contributions. For details, see Pub 526.

Line 16

Other Than by Cash or Check

Enter your contributions of property. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale.

it does not have to describe or value the benefit.



TIP You must get the statement by the date you file your return or the due date (including extensions) for filing your return, whichever is earlier. Do not attach the statement to your return. Instead, keep it for your records.

Limit on the amount you can deduct. See Pub 526 to figure the amount of your deduction if any of the following applies:

1. Your cash contributions or contributions of ordinary income property are more than 30% of the amount on Form 1040, line 38.
2. Your gifts of capital gain property are more than 20% of the amount on Form 1040, line 38.
3. You gave gifts of property that increased in value or gave gifts of the use of property.



TIP The limit described in item (1) above does not apply to certain cash contributions paid after August 21, 2005, if you elect to treat those contributions as qualified contributions. See the instructions for line 15b on this page for details.

Contributions You Cannot Deduct

- Any contribution you made in January 2005 for the relief of victims in areas affected by the December 26, 2004, Indian Ocean tsunami that you elected to deduct on your 2004 return.
- Travel expenses (including meals and lodging) while away from home, unless there was no significant element of personal pleasure, recreation, or vacation in the travel.
- Political contributions.
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.

But you may be able to deduct these expenses on line 27. See page A-9 for details.

- Cost of tuition. But you may be able to deduct this expense on line 20 (see page A-8), or Form 1040, line 34, or take a credit for this expense (see Form 8863).
- Value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).
- Gifts to individuals and groups that are run for personal profit.
- Gifts to foreign organizations. But you may be able to deduct gifts to certain U.S. organizations that transfer funds to foreign charities and certain Canadian, is-

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- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, cancer, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness, or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, state, and local governments if the gifts are solely for public purposes.

Contributions You Can Deduct

Contributions can be in cash (keep cancelled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described earlier. If you drove to and from the volunteer work, you can take the actual cost of gas and oil or 14 cents a mile. But if the volunteer work was to provide relief related to Hurricane Katrina after August 24, 2005, this amount is increased to 29 cents a mile (34 cents a mile after August 31, 2005). Add parking and tolls to the amount you claim under either method. But do not deduct any amounts that were repaid to you.

Gifts from which you benefit. If you made a gift and received a benefit in return, such as food, entertainment, or merchandise, you can generally only deduct the amount that is more than the value of the benefit. But this rule does not apply to certain membership benefits provided in return for an annual payment of \$75 or less. For details, see Pub 526.

Example. You paid \$70 to a charitable organization to attend a fund-raising dinner and the value of the dinner was \$40. You can deduct only \$30.

Gifts of \$250 or more. You can deduct a gift of \$250 or more only if you have a statement from the charitable organization showing the information in (1) and (2) below.

1. In figuring whether a gift is \$250 or more, do not combine separate donations. For example, if you gave your church \$25 each week for a total of \$1,300, treat each \$25 payment as a separate gift. If you made donations through payroll deductions, treat each deduction from each paycheck as a separate gift. See Pub 526 if you made a separate gift of \$250 or more through payroll deduction.
2. The amount of any money contributed and a description of (not value of) any property donated.

Whether the organization did or did not give you any goods or services in return for your contribution. If you did receive any goods or services, a description and estimate of the value must be included. If you received only intangible religious benefits (such as admission to a religious ceremony), the organization must state this, but

- (Certain legal and accounting fees

TIP You may be able to take a credit for your educational expenses instead of a deduction. See Form 8863 for details.

- Deduction for repayment of amounts under a claim of right if over \$3,000. See Pub. 525 for details.
- Certain unrecovered investment in a

Enter the fees you paid for preparation of your tax return, including fees paid for filing your return electronically if you paid your tax by credit card. Do not include the convenience fee you were charged.

For more details, see Pub 529

Only the expenses listed next can be deducted on this line. List the type and amount of each expense on the dotted lines next to line 27. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 27.

Line 28 Use the worksheet below to figure the amount to enter on line 28 if the amount on Form 1040, line 38, is over \$145,950 (\$77,975 if married filing separately)

Line 29 If you elect to itemize for state tax or other purposes even though your itemized deductions are less than your standard deduction, check the box on line 29.

Keep for Your Records

1	_____
2	_____

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on Schedule A.

3.

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10. ... on Schedule A,

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2005 Optional State and Certain Local Sales Tax Tables (Continued)

[illegible]

The alternative is to exclude the 1% uniform local sales tax rate in addition to the 6.25% state sales tax rate. The state's per capita income is \$1,000.

The second alternative is to exclude the 2% uniform local sales tax rate in addition to the 4.25% state sales tax rate. The second alternative is to exclude the 2% uniform local sales tax rate in addition to the 4.25% state sales tax rate.

Residents of Salem County will receive a credit for half of the amount in the state table.

The state and local government sales taxes are combined in the Virginia table.

Which Optional Local Sales Tax Table Should I Use?

IF you live in the state of...	AND you live in...	THEN use Local Table
Alaska	Any locality	C
Arizona	Any locality	B
Arkansas	Texasiana	B
California	Los Angeles County	B
Colorado	Aurora Greeley, Longmont, or City of Pueblo Aradito, City of Boulder, Fort Collins, Lawrence Boulder County, Pueblo County, or any other locality	B C A
Georgia	Any locality	B
Illinois	Arlington Heights, Aurora, Bloomington, Champaign, Chicago, Cicero, Decatur, Elgin, Evanston, Joliet, Peabody, Peoria, Schaumburg, Skokie, Springfield, or Waukegan	B
	Any other locality	A
Louisiana	Any locality	C
New York	New York City	C
North Carolina	Any locality	C

2005 Optional Local Sales Tax Tables A, B, and C

(Based on a local sales tax rate of 1 percent)

Income	Local Table A		Local Table B		Local Table C	
	At least	But less than	Exemptions	Exemptions	Exemptions	Exemptions
\$0-\$20,000	32	47	43	45	48	41
20,000-\$30,000	54	62	67	71	75	68
30,000-\$40,000	65	75	81	86	90	80
40,000-\$50,000	75	82	89	93	102	94
50,000-\$60,000	84	98	104	111	116	103
60,000-\$70,000	92	108	114	123	129	112
70,000-\$80,000	95	115	121	125	132	115
80,000-\$90,000	100	123	132	136	142	120
90,000-\$100,000	107	133	141	148	152	127
100,000-\$120,000	114	142	150	157	167	137
120,000-\$140,000	124	153	162	170	180	148
140,000-\$160,000	137	165	179	187	196	163
160,000-\$180,000	148	189	193	204	214	176
180,000-\$200,000	159	192	208	216	223	189
200,000-\$250,000	174	219	222	232	245	201
250,000-\$300,000	186	230	235	248	260	216
300,000-\$400,000	222	253	274	289	302	260
400,000-\$500,000	253	274	289	302	320	260
500,000-\$750,000	274	289	302	320	338	274
750,000-\$1,000,000	289	302	320	338	356	274
1,000,000-\$1,250,000	302	320	338	356	374	302
1,250,000-\$1,500,000	320	338	356	374	392	320
1,500,000-\$2,000,000	338	356	374	392	410	338
2,000,000-\$2,500,000	356	374	392	410	428	356
2,500,000-\$3,000,000	374	392	410	428	446	374
3,000,000-\$4,000,000	392	410	428	446	464	392
4,000,000-\$5,000,000	410	428	446	464	482	410
5,000,000-\$7,500,000	428	446	464	482	500	428
7,500,000-\$10,000,000	446	464	482	500	518	446
10,000,000-\$15,000,000	464	482	500	518	536	464
15,000,000-\$20,000,000	482	500	518	536	554	482
20,000,000-\$30,000,000	500	518	536	554	572	500
30,000,000-\$50,000,000	518	536	554	572	590	518
50,000,000-\$75,000,000	536	554	572	590	608	536
75,000,000-\$100,000,000	554	572	590	608	626	554
100,000,000-\$150,000,000	572	590	608	626	644	572
150,000,000-\$200,000,000	590	608	626	644	662	590
200,000,000-\$300,000,000	608	626	644	662	680	608
300,000,000-\$400,000,000	626	644	662	680	698	626
400,000,000-\$500,000,000	644	662	680	698	716	644
500,000,000-\$750,000,000	662	680	698	716	734	662
750,000,000-\$1,000,000,000	680	698	716	734	752	680
1,000,000,000-\$1,500,000,000	698	716	734	752	770	698
1,500,000,000-\$2,000,000,000	716	734	752	770	788	716
2,000,000,000-\$3,000,000,000	734	752	770	788	806	734
3,000,000,000-\$4,000,000,000	752	770	788	806	824	752
4,000,000,000-\$5,000,000,000	770	788	806	824	842	770
5,000,000,000-\$7,500,000,000	788	806	824	842	860	788
7,500,000,000-\$10,000,000,000	806	824	842	860	878	806
10,000,000,000-\$15,000,000,000	824	842	860	878	896	824
15,000,000,000-\$20,000,000,000	842	860	878	896	914	842

Instructions for Schedule B, Interest and Ordinary Dividends



You can list more than one payer on each entry space for lines 1 and 5, but be sure to clearly show the amount paid next to the payer's name. Add the separate amounts paid by the payers listed on an entry space and enter the total in the "Amount" column. If you still need more space, attach separate statements that are the same size as the printed schedule. Use the same format as lines 1 and 5, but show your totals on Schedule B. Be sure to put your name and social security number (SSN) on the statements and attach them at the end of your return.

Part I. Interest

Line 1

Interest

Report on line 1 all of your taxable interest. Interest should be shown on your Forms 1099-INT, Forms 1099-OID, or substitute statements include interest from series EE and U.S. savings bonds. List each payer's name and show the amount.

Special Rules

Seller-Financed Mortgages

If you sold your home or other property and the buyer used the property as a personal residence, list first any interest the buyer paid you on a mortgage or other form of seller financing. Be sure to show the buyer's name, address, and SSN. If you do not show the buyer's name, address, and SSN, or let the buyer know your SSN, you may have to pay a \$50 penalty.

Nominees

If you received a Form 1099-INT that includes interest you received as a nominee (that is, in your name, but the interest actually belongs to someone else), report the total on line 1. Do this even if you later distributed some or all of this income to others. Under your last entry on line 1, put a subtotal of all interest listed on line 1. Below this subtotal, enter "Nominee Distribution" and show the total interest you received as a nominee. Subtract this amount from the subtotal and enter the result on line 2.

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Use Schedule B (Form 1040) if any of the following applies:

- You had over \$1,500 of taxable interest
- Any of the Special Rules listed in the instructions for line 1 apply to you after 1989
- You are claiming the exclusion of interest from series EE or U.S. savings bonds issued after 1989
- You had over \$1,500 of ordinary dividends
- You received ordinary dividends as a nominee
- You had a foreign account or you received a distribution from, or were a grantor of, or transferred to, a foreign trust. Part III of the schedule has questions about foreign accounts and trusts.



If you received interest as a nominee, you must give the actual owner a Form 1099-INT unless the owner is your spouse. You must also file a Form 1096 and a Form 1099-INT with the IRS. For more details, see the General Instructions for Forms 1099, 1098, 5498, and W-2, and the instructions for Forms 1099-INT and 1099-OID.

Accrued Interest

When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller. If you received a Form 1099 for interest as a purchaser of a bond with accrued interest, follow the rules earlier under Nominees to see how to report the accrued interest on Schedule B. But identify the amount to be subtracted as "Accrued Interest."

Tax-Exempt Interest

If you received a Form 1099-INT for tax-exempt interest, follow the rules earlier under Nominees to see how to report the interest on Schedule B. But identify the amount to be subtracted as "Tax-Exempt Interest."

Original Issue Discount (OID)

If you are reporting OID in an amount less than the amount shown on Form 1099-OID, follow the rules earlier under Nominees to see how to report the OID on Schedule B. But identify the amount to be subtracted as "OID Adjustment."

Amortizable Bond Premium

If you are reducing your interest income on a bond by the amount of amortizable bond premium, follow the rules earlier under Nominees to see how to report the interest on Schedule B. But identify the amount to be subtracted as "ABP Adjustment."

Line 3

Excludable Interest on Series EE and U.S. Savings Bonds Issued After 1989

If, during 2005, you cashed series EE or U.S. savings bonds issued after 1989 and you paid qualified higher education expenses for yourself, your spouse, or your

B-1

Part III. Foreign Accounts and Trusts

Lines 7a and 7b Foreign Accounts

Line 7a

Check the "Yes" box on line 7a if either (1) or (2) below applies:

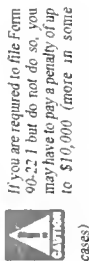
1. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts
2. At any time during 2005 you had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account, or other financial account)



For line 7a, item (2) does not apply to foreign securities held in a U.S. securities account.

Exceptions. Check the "No" box if any of the following applies to you:

- The combined value of the accounts was \$10,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.



If you are required to file Form 90-22.1 but do not do so, you may have to pay a penalty of up to \$10,000 (more in some cases).

Line 7b

If you checked the "Yes" box on line 7a, enter the name of the foreign country or countries in the space provided on line 7b. Attach a separate statement if you need more space.

Line 8

Foreign Trusts

If you received a distribution from a foreign trust, you must provide additional information. For this purpose, a loan of cash or marketable securities generally is considered to be a distribution. See Form 3520 for details.

If you were the grantor of, or transferor to, a foreign trust that existed during 2005, you may have to file Form 3520.

If you checked the "Yes" box on line 7a, file Form TD F 90-22.1 by June 30, 2006, with the Department of the Treasury at the address shown on that form. Do not attach it to Form 1040.

- You were an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation, the account was in your employer's name, and you did not have a personal financial interest in the account.
- You were an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than \$1 million and 500 or more shareholders of record, the account was in your employer's name, you did not have a personal financial interest in the account, and the corporation's chief financial officer has given you written notice that the corporation has filed a current report that includes the account.

See Form TD F 90-22.1 to find out if you are considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account, or other financial account). You can get Form TD F 90-22.1 by visiting the IRS website at www.irs.gov/pub/irs-pdf/f9022-1.pdf.

If you checked the "Yes" box on line 7a, file Form TD F 90-22.1 by June 30, 2006, with the Department of the Treasury at the address shown on that form. Do not attach it to Form 1040.

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2005 Instructions for Schedule C

Profit or Loss From Business

Use Schedule C (Form 1040) to report income or loss from a business you operated as a proprietor. You may also use Schedule C to report wages and salaries you received as a sole proprietor. Also, use Schedule C to report income or loss from a business you operated as a sole proprietor. If you are involved in the activity with community and regularity. For example, a sporadic activity or a hobby does not qualify as a business. To report income from a nonbusiness activity, see the instructions for Form 1040, line 21.

Small businesses and statutory employees with expenses of \$5,000 or less may be able to file Schedule C-EZ instead of Schedule C. See Schedule C-EZ for details.

You may be subject to state and local taxes and other requirements such as business licenses and fees. Check with your state and local governments for more information. Section references are to the Internal Revenue Code.

trade or business or income-producing property.

- From 4797 to report sales, exchanges, and involuntary conversions (not from a casualty or theft) of trade or business property.
- Form 8594 to report certain purchases or sales of groups of assets that constitute a trade or business.
- Form 8824 to report like-kind exchanges.
- From 8829 to claim expenses for business use of your home.
- Form 8903 to take a deduction for income from domestic production activities.

Household-wife business. If you and your spouse jointly own and operate a business and share in the profits and losses, you may have to file Form 8300. For details, see Pub 1544.

Reportable Transaction Disclosure Statement

Use Form 8886 to disclose information for each reportable transaction in which you participated. Form 8886 must be filed for each tax year that your federal income tax liability is affected by your participation in the transaction. You may have to pay a penalty if you are required to file Form 8886 but do not do so. You may also have to pay interest and penalties on any reportable transaction understatements. The following are reportable transactions:

- Any transaction that is the same as or substantially similar to tax avoidance transactions identified by the IRS.
- Any transaction offered under conditions of confidentiality for which you paid an advisor a minimum fee.
- Any transaction for which you have contractual protection against disallowance of the tax benefits.
- Any transaction resulting in a loss of at least \$2 million in any single tax year or \$1 million in any combination of tax years (A) (at least \$50,000 for a single tax year if the loss arose from a foreign currency transaction defined in section 981(c)(1)), whether or not the loss flows through from an S corporation or partnership.)

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CR-01 241299

What's New

Special rules for contributing book or food inventories under the Katrina Emergency Tax Relief Act of 2005. See Pub 4492 for information on qualifying contributions, adjusting your inventory, and claiming any allowable deduction.

Employee retention credit for employers affected by Hurricane Katrina. If you had employees in the Hurricane Katrina disaster area, you may be eligible for a credit against the wages you paid them while your business was inoperable. For more information, see Form 5884-A.

Business fuel credit. If you claimed the business fuel credit on Form 8864, you must include the credit in your income on line 6. See the instructions for line 6 on page C-3.

General Instructions

Other Schedules and Forms You May Have To File

- Schedule A to deduct interest, taxes, and casualty losses not related to your business.
- Schedule E to report rental real estate and royalty income or (loss) that is not subject to self-employment tax.
- Schedule F to report profit or (loss) from farming.
- Schedule J to figure your tax by averaging your fishing income over the previous 3 years. Doing so may reduce your tax.
- Schedule SE to pay self-employment tax on income from any trade or business.
- Form 4562 to claim depreciation on assets placed in service in 2005, to make an amortization that began in 2005, to make an election under section 179 to expense certain property, or to report information on listed property.
- Form 4684 to report a casualty or theft gain or loss involving property used in your

rules apply to long-term contracts. See section 460 for details.

If you use the cash method, show all items of taxable income actually or constructively received during the year (in cash, property, or services) income is constructively received when it is credited to your account or set aside for you to use. Also, show amounts actually paid during the year for deductible expenses. However, if the payment of an expenditure creates an asset having a useful life that extends substantially beyond the close of the year, it may not be deductible or may be deductible only in part for the year of the payment. See Pub 535.

If you use the accrual method, report income when you earn it and deduct expenses when you incur them even if you do not pay them during the tax year. Accrual-basis taxpayers are put on a cash basis for deducting business expenses owed to a related cash-basis taxpayer. Other rules determine the timing of deductions based on economic performance. See Pub 538.

To change your accounting method, you generally must file Form 3115. You may also have to make an adjustment to prevent amounts of income or expense from being duplicated or omitted. This is called a section 481(a) adjustment.

Example. You change to the cash method of accounting and choose to account for uncollectible items in the same manner as merchants and suppliers that are not incidental. You accrued sales in 2004 for which you received those sales in both years as a result of changing your accounting method and must make a section 481(a) adjustment to prevent duplication of income.

A net negative section 481(a) adjustment is taken into account entirely in the year of the change. A net positive section 481(a) adjustment is generally taken into account over a period of 4 years. Include any net positive section 481(a) adjustments on line 6. If the net section 481(a) adjustment is negative, report it in Part V.

For details on figuring section 481(a) adjustments, see the instructions for Form 3115, Rev. Proc. 2004-23, 2004-16 IRB 7-35, available at www.irs.gov/irb 2004-16 IRB 7-35, and Rev. Proc. 2004-57, 2004-38 IRB 4-98, available at www.irs.gov/irb/2004-38_IRB_4-98.

Line G

If your business activity was not a rental activity and you met any of the material participation tests below or the exception for oil and gas applies (explained on page C-3), check the "Yes" box. Otherwise, check the "No" box. If you check the "No" box, this business is a passive activity. If you have a loss from this business, see *Limit on losses on this business* activity but have current year losses from other passive activities or you have prior year unallowed passive activity losses, see the instructions for Form 8582.

Material participation. Participation for purposes of the seven material participation

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tests listed below, generally includes any work you did in connection with an activity if you owned an interest in the activity at the time you did the work. The capacity in which you did the work does not matter. However, work is not treated as participation if it is work that an owner would not customarily do in the same type of activity and one of your main reasons for doing the work was to avoid the disallowance of losses or credits from the activity under the passive activity rules.

Work you do as an investor in an activity is not treated as participation unless you were directly involved in the day-to-day management or operations of the activity. Work done as an investor includes:

- Studying and reviewing financial statements or reports on the activity.
- Preparing or compiling summaries or analyses of the finances or operations of the activity for your own use, and
- Monitoring the finances or operations of the activity in a nonmanagerial capacity.

Participation by your spouse during the tax year in an activity you own can be counted as your participation in the activity. This applies even if your spouse did not own an interest in the activity and whether or not you and your spouse file a joint return.

For purposes of the passive activity rules, you materially participated in the operation of this trade or business activity during 2005 if you met any of the following seven tests:

1. You participated in the activity for more than 500 hours during the tax year.
2. Your participation in the activity for the tax year was substantially all of the participation in the activity of all individuals (including individuals who did not own any interest in the activity) for the tax year.
3. You participated in the activity for more than 100 hours during the tax year, and you participated at least as much as any other person for the tax year. This includes individuals who did not own any interest in the activity.
4. The activity is a significant participation activity for the tax year, and you participated in all significant participation activities for more than 500 hours during the year. An activity is a "significant participation activity" if it involves the conduct of a trade or business, you participated in the activity for more than 100 hours during the tax year, and you did not materially participate under any of the material participation tests (other than this test 4).
5. You materially participated in the activity for any 5 of the prior 10 tax years.
6. The activity is a personal service activity in which you materially participated for any 2 prior tax years. A personal service activity is an activity that involves performing personal services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, or any other trade or business in which capital is not a material income-producing factor.

Based on all the facts and circumstances, you participated in the activity on a regular, continuous, and substantial basis.

during the tax year. But you do not meet this test if you participated in the activity for 140 hours or less during the tax year. Your participation in managing the activity does not count in determining if you meet this test if any person (except you) (a) received compensation for performing management services in connection with the activity or (b) spent more hours during the tax year than you spent performing management services in connection with the activity. (Regardless of whether the person was compensated for the services.)

Rental of personal property. A rental activity (such as long-term equipment leasing) is a passive activity even if you materially participated in the activity. However, if you met any of the five exceptions listed under *Rental Activities* in the Instructions for Form 8582, the rental of the property is not treated as a rental activity and the material participation rules above apply.

Exception for oil and gas. If you are filing Schedule C to report income and deductions from an oil or gas well in which you own a working interest directly or through an entity that does not limit your liability, check the "yes" box. The activity of owning the working interest is not a passive activity regardless of your participation.

Limit on losses. If you checked the "no" box and you have a loss from this business, you may have to use Form 8582 to figure your allowable loss, if any, to enter on Schedule C, line 31. Generally, you can deduct losses from passive activities only to the extent of income from passive activities. For details, see Pub. 925.

Line H

If you started or acquired this business in 2005, check the box on line H. Also check this box if you are reporting or rescheduling this business after temporarily closing it, and you did not file a 2004 Schedule C or C-EZ for this business.

Part I. Income

Except as otherwise provided in the Internal Revenue Code, gross income includes income from whatever source derived. Gross income, however, does not include extraterritorial income that is qualifying foreign trade income. Use Form 9883 to figure the extraterritorial income exclusion. Report it on Schedule C as explained in the Instructions for Form 9883.

Line 1

Enter gross receipts from your trade or business. Include amounts you received in your trade or business that were properly shown on Forms 1099-MISC. If the total amount of gross receipts reported on Forms 1099-MISC are more than the total you are reporting on line 1, attach a statement explaining the difference.

Part II. Expenses

Capitalizing costs of property. If you produced real or tangible personal property or acquired property for resale, certain expenses attributable to the property generally must be included in inventory costs or capitalized. In addition to direct costs, producers of inventory property generally must also include part of certain indirect costs in their inventory. Purchasers of personal property acquired for resale must include part of certain indirect costs in inventory only if the average annual gross receipts for the 3 prior tax years exceed \$10 million. Also, you must capitalize over the indirect costs that benefit real or tangible personal property constructed for use in a trade or business, or noninventory property produced for sale to customers. Reduce the amounts on lines 8 through 26 and Part V by amounts capitalized. For details, see Pub. 538.

Exception for certain producers. Producers who account for inventoryable items in the same manner as materials and supplies that are not incidental can currently deduct expenditures for direct labor and all indirect costs that would otherwise be included in inventory costs. See *Cost of Goods Sold* on page C-6 for more details.

Exception for creative property. If you are an artist, author, or photographer, you may be exempt from the capitalization rules. However, your personal efforts must have created, for reasonably, the expense to create the property. This exception related to printing, photographic plates, motion picture films, video tapes, or similar items. These expenses are subject to the capitalization rules. For details, see Pub. 538.

Line 9

You can deduct the actual expenses of running your car or truck or take the standard mileage rate. You must use actual expenses if you used your vehicle for hire (such as taxicab) or you used more than four vehicles simultaneously in your business (such as in fleet operations). You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

You can take the standard mileage rate for 2005 only if you:

- Owned the vehicle and use the standard mileage rate for the first year you placed the vehicle in service, or
- Leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

If you deduct actual expenses:

- Include on line 9 the business portion of expenses for gasoline, oil, repairs, insurance, tires, license plates, etc., and
- Show depreciation on line 13 and rent or lease payments on line 20a.

If you take the standard mileage rate, do not deduct depreciation, rent or lease payments, or your actual operating expenses.

Multiply the number of business miles driven:

- Before September 1, 2005, by 40.5 cents, and
- After August 31, 2005, by 48.5 cents.

Add to this amount your parking fees and tolls, and enter the total on line 9. For details, see Pub. 463.

Information on your vehicle. If you claim any car and truck expenses, you must provide certain information on the use of your vehicle by completing one of the following:

- Schedule C, Part IV, or Schedule C-EZ, Part III, if (a) you are claiming the standard mileage rate, you lease your vehicle, or your vehicle is fully depreciated, and (b) you are not required to file Form 4562 for any other reason. If you used more than one vehicle during the year, attach your own schedule with the information requested in Schedule C, Part IV, or Schedule C-EZ, Part III, for each additional vehicle.
- Form 4562, Part V, if you are claiming depreciation on your vehicle or you are required to file Form 4562 for any other reason (see the instructions for line 13).

Line 11

Enter the total cost of contract labor for the year. Do not include contract labor deducted elsewhere on your return such as contract labor that you included in Part III. Also, do not include salaries and wages paid to your employees. Instead see line 26.

Line 12

Enter your deduction for depletion on this line. If you have timber depletion, attach Form T. See Pub. 535 for details.

Line 13

Depreciation and section 179 expense deduction. Depreciation is the annual deduction allowed to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. You can also depreciate improvements made to leased business property. However, stock in trade, inventories, and land are not depreciable. Depreciation starts when you first use the property in your business or for the production of income. It ends when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business or for the production of income. You can also elect under section 179 to expense part of the cost of certain property you bought in 2005 for use in your business. See the instructions for Form 4562 to figure the amount to enter on line 13.

When to attach Form 4562. You must complete and attach Form 4562 only if:

- You are claiming depreciation on property placed in service during 2005, or
- You are claiming depreciation on listed property (defined below), regardless of the date it was placed in service, or

- You are claiming a section 179 expense deduction.

If you acquired depreciable property for the first time in 2005, see Pub. 946.

Listed property generally includes, but is not limited to:

- Passenger automobiles weighing 6,000 pounds or less.

- Any other property used for transportation if the nature of the property lends itself to personal use, such as motorcycles, pickup trucks, etc.

- Any property used for entertainment or recreational purposes (such as photographic, phonographic, communication, and video recording equipment).

- Cellular telephones or other similar telecommunications equipment, and

- Computers or peripheral equipment.

Exceptions. Listed property does not include photographic, phonographic, communication, or video equipment used exclusively in your trade or business, or as your regular business establishment. It also does not include any computer or peripheral equipment used exclusively at a regular business establishment and owned or leased by the person operating the establishment. For purposes of these exceptions, a portion of your home is treated as a regular business establishment only if that portion meets the requirements under section 280A(c)(1) for deducting expenses for the business use of your home.

See the instructions for line 6 on page C-3 for the business use percentage of any listed property decreased to 50% or less in 2005.

Line 14

Deduct contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 19. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs. If you made contributions on your behalf as a self-employed person to a dependent care assistance program, complete Form 2441, Parts I and III, to figure your deductible contributions to that program.

Do not include on line 14 any contributions you made on your behalf as a self-employed person to an accident and health plan or for group-term life insurance. You may be able to deduct on Form 1040, line 29, the amount you paid for health insurance on behalf of yourself, your spouse, and dependents, even if you do not itemize your deductions. See the instructions for Form 1040, line 29, for details.

Line 15

Deduct premiums paid for business insurance on line 15. Deduct on line 14 amounts paid for employee accident and health insurance. Do not deduct amounts credited to a reserve for self-insurance or premiums paid for a policy that pays for your lost earnings due to sickness or disability. For details, see Pub. 535.

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Lines 16a and 16b

Interest allocation rules. The tax treatment of interest expense differs depending on its type. For example, home mortgage interest and investment interest are treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted (or capitalized) on the correct line of your return and receives the right tax treatment. These rules could affect how much interest you are allowed to deduct on Schedule C or C-EZ.

Generally, you allocate interest expense by tracing how the proceeds of the loan were used. See Pub. 535 for details.

If you paid interest on a debt secured by your main home and any debt secured by that debt were used in connection with your trade or business, see Pub. 535 to figure the amount that is deductible on Schedule C or C-EZ.

How to report. If you have a mortgage on real property used in your business (other than your main home), enter on line 16a the interest you paid for 2005 to banks or other financial institutions for which you received a Form 1098 (or similar statement) if you did not receive a Form 1098, enter the interest on line 16b.

If you paid more mortgage interest than is shown on Form 1098, see Pub. 535 to find out if you can deduct the additional interest. If you can, include the amount on line 16a. Attach a statement to your return explaining the difference and enter "See attached" in the margin next to line 16a.

If you and at least one other person (other than your spouse) if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098, include your share of the interest on line 16b. Attach a statement to your return showing the name and address of the person who received the Form 1098 in the margin next to line 16b, enter "See attached."

If you paid interest in 2005 that applies to future years, deduct only the part that applies to 2005.

Line 17

Include on this line fees for tax advice related to your business and for preparation of the tax forms related to your business.

Line 19

Enter your deduction for contributions to a pension, profit-sharing, or annuity plan, or plans for the benefit of your employees. If the plan included you as a self-employed person, enter contributions made as an employer on your behalf on Form 1040, line 28, not on Schedule C.

Generally, you must file the applicable form listed below if you maintain a pension, profit-sharing, or other funded deferred compensation plan. The filing requirement is not affected by whether or not the plan qualified under the Internal Revenue Code, or whether or not you claim a deduction for the current tax year. There

is a penalty for failure to timely file these forms.

Form 5500. File this form for a plan that is not a one-participant plan (see below).

Form 5500-EZ. File this form for a one-participant plan. A one-participant plan is a plan that only covers you (or you and your spouse).

For details, see Pub. 560.

Lines 20a and 20b

If you rented or leased vehicles, machinery, or equipment, enter on line 20a the business portion of your rental cost. But if you leased a vehicle for a term of 30 days or more, you may have to reduce your deduction by an amount called the inclusion amount. See Pub. 463 to figure your inclusion amount.

Enter on line 20b amounts paid to rent or lease other property, such as office space in a building.

Line 21

Deduct the cost of repairs and maintenance include labor, supplies, and other items that do not add to the value or increase the life of the property. Do not deduct the value of your own labor. Do not deduct amounts spent to restore or replace property. They must be capitalized.

Line 22

Generally, you can deduct the cost of supplies only to the extent you actually consumed and used them in your business during the tax year (unless you deducted them in a prior tax year). However, if you had incidental supplies on hand for which you kept no inventories or records of use, you can deduct the cost of supplies you actually purchased during the tax year, provided that method clearly reflects income.

Line 23

You can deduct the following taxes and licenses on this line:

- State and local sales taxes imposed on you as the seller of goods or services. If you collected this tax from the buyer, you must also include the amount collected in gross receipts or sales on line 1.
- Real estate and personal property taxes on business assets.
- Licenses and regulatory fees for your trade or business paid each year to state or local governments. But some licenses, such as liquor licenses, may have to be amortized. See Pub. 535 for details.
- Social security and Medicare taxes paid to match required withholding from your employees' wages. Also federal unemployment tax paid. Reduce your deduction by the amount shown on Form 8846, line 1.
- Federal highway use tax.

Do not deduct the following on this line:

Line 24b

Enter your total deductible business meal and entertainment expenses. Include meal expenses while traveling away from home for business.

Deductible expenses. Business meal expenses are deductible only if they are (a) directly related to or associated with the active conduct of your trade or business, (b) not lavish or extravagant, and (c) incurred while you or your employee is present at the meal.

You cannot deduct any expense paid or incurred for a facility (such as a yacht or hunting lodge) used for any activity usually considered entertainment, amusement, or recreation.

Also, you cannot deduct membership fees for any club organized for social, pleasure, recreation, or other social purpose. This includes country clubs, golf and athletic clubs, airline and hotel clubs, and clubs operated to provide meals under conditions favorable to business discussion. But it does not include civic or public service organizations, professional organizations (such as bar and medical associations), business leagues, trade associations, chambers of commerce, boards of trade, and real estate boards, unless a principal purpose of the organization is to entertain, or provide entertainment facilities for, members or their guests.

There are exceptions to these rules as well as other rules that apply to sky-box rentals and tickets to entertainment events. See Pub. 463.

Standard meal allowance. Instead of the actual cost of your meals while traveling away from home, you can use the standard meal allowance for your daily meals and incidental expenses. Under this method, you deduct a specified amount, depending on where you travel, instead of keeping records of your actual meal expenses. However, you must still keep records to prove the time, place, and business purpose of your travel.

The standard meal allowance is the federal M&IE rate. You can find these rates on the Internet at www.gsa.gov. Click on "Per Diem Rates." For locations outside the continental United States, the applicable rates are published monthly. You can find these rates on the Internet at www.state.gov.

See Pub. 463 for details on how to figure your deduction using the standard meal allowance, including special rules for partial days of travel.

Amount of deduction. Generally, you can deduct only 50% of your business meal and entertainment expenses, including meals incurred while away from home on business. For individuals subject to the Department of Transportation (DOT) hours of service limits, that percentage is increased to 70% for business meals consumed during, or incident to, any period of duty for which those limits are in effect. Individuals subject to the DOT hours of service limits include the following persons:

- Certain air transportation workers (such as pilots, crew, dispatchers, mechanics, and control tower operators) who are

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under Federal Aviation Administration regulations:

- Interstate truck operators who are under DOT regulations
- Certain merchant mariners who are under Coast Guard regulations

However, you can fully deduct meals, incidentals, and entertainment furnished or reimbursed to an employee if you properly treat the expense as wages subject to withholding. You also can fully deduct meals, incidentals, and entertainment provided to a nonemployee to the extent the expenses are includable in the gross income of that person and reported on Form 1099-MISC. See Pub. 535 for details and other exceptions.

Dynare providers. If you qualify as a family daycare provider, you can use the standard meal and snack rates, instead of actual costs, to compute the deductible cost of meals and snacks provided to eligible children. See Pub. 585 for details, including recordkeeping requirements.

Line 25

Deduct only utility expenses for your trade or business.

Local telephone service. If you used your home phone for business, do not deduct the base line rate (including taxes) of the first phone line into your residence. But you can deduct expenses for any additional costs you incurred for business that are more than the cost of the base rate for the first phone line. For example, if you had a second line, you can deduct the business percentage of the charges for that line, including the base rate charges.

Line 26

Enter the total salaries and wages for the tax year. Do not include salaries and wages deducted elsewhere on your return or amounts paid to yourself. Reduce your deduction by the amounts claimed on:

- Form 5884, Work Opportunity Credit, line 2.
- Form 5884-A, Hurricane Katrina Employee Retention Credit, line 2.
- Form 8834, Empowerment Zone and Renewal Community Employment Credit, line 2.
- Form 8845, Indian Employment Credit, line 4, and
- Form 8861, Welfare-to-Work Credit, line 2.



If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as wages the amount applicable to depreciation and other expenses claimed elsewhere.

Line 30

Business use of your home. You may be able to deduct certain expenses for business use of your home, subject to limitations. You must attach Form 8829 if you claim

this deduction. For details, see the Instructions for Form 8829 and Pub. 58.

Line 31

If you have a loss, the amount of loss you can deduct this year may be limited. Go to line 32 before entering your loss on line 31. If you answered "No" to Schedule C, Question G, also see the Instructions for Form 8882. Enter the net profit or deductible loss here. Combine this amount with any profit or loss from other businesses, and enter the total on Form 1040, line 12, and Schedule SE, line 2. Estates and trusts should enter the total on Form 1041, line 3.

If you have a net profit on line 31, this amount is earned income and may qualify you for the earned income credit. See the Instructions for Form 1040, lines 66a and 66b, for details.

Statutory employees. Include your net profit or deductible loss from line 31 with other Schedule C amounts on Form 1040, line 12. However, do not report this amount on Schedule SE, line 2. If you are required to file Schedule SE because of other self-employment income, see the Instructions for Schedule SE.

Line 32

At-risk rules. Generally, if you have (a) a business loss, and (b) amounts in the business for which you are not at risk, you will have to complete Form 6198 to figure your allowable loss. The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the business.

Check box 32b if you have amounts for which you are not at risk in this business, such as the following:

- Nonrecourse loans used to finance the business, to acquire property used in the business, or to acquire the business that are not secured by your own property (other than property used in the business). However, there is an exception for certain nonrecourse financing borrowed by you in connection with holding real property.
- Cash, property, or borrowed amounts used in the business (or contributed to the business, or used to acquire the business) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casualty insurance and insurance against tort liability).
- Amounts borrowed for use in the business from a person who has an interest in the business, other than as a creditor, or who is related under section 461(b)(3) to a person (other than you) having such an interest.

If all amounts are at risk in this business, check box 32a and enter your loss on line 31. But if you answered "No" to Question G, you may need to complete Form 8882 to figure your deductible loss. See the Instructions for Form 8882 for details.

If you checked box 32b, see Form 6198 to determine the amount of your deductible loss.

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loss. But if you answered "No" to Question G, your loss may be further limited. See the Instructions for Form 8882. If your at-risk amount is zero or less, enter -0- on line 31. Be sure to attach Form 6198 to your return if you checked box 32b and you do not attach Form 6198, the processing of your tax return may be delayed.

Any loss from this business not allowed for 2005 because of the at-risk rules is treated as a deduction allowable to the business in 2006. For details, see the Instructions for Form 6198 and Pub. 925.

Part III. Cost of Goods Sold

Generally, if you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, you must take inventories into account at the beginning and end of your tax year.

However, if you are a qualifying taxpayer or a qualifying small business taxpayer, you can account for inventoryable items in the same manner as materials and supplies that are not incidental. To change your accounting method, see the instructions on line F on page C-2.

A qualifying taxpayer is a taxpayer (a) whose average annual gross receipts for the 3 prior tax years are \$1 million or less, and (b) whose business is not a tax shelter (as defined in section 448(d)(3)).

A qualifying small business taxpayer is a taxpayer (a) whose average annual gross receipts for the 3 prior tax years are more than \$1 million but not more than \$10 million, (b) whose business is not a tax shelter (as defined in section 448(d)(3)), and (c) whose principal business activity is not an ineligible activity, as explained in Rev. Proc. 2002-28. You can find Rev. Proc. 2002-28 on page 815 of Internal Revenue Bulletin 2002-18 at www.irs.gov/pub/irs-rts/rb02-18.pdf.

Under this accounting method, inventory costs for raw materials purchased for use in producing finished goods and merchandise purchased for resale are deductible in the year the finished goods or merchandise are sold (but not before the year you paid for the raw materials or merchandise, if you are also using the cash method). Enter amounts paid for all raw materials and merchandise during 2005 on line 36. The amount you can deduct for 2005 is figured on line 42.

Additional information. For additional guidance on this method of accounting for inventoryable items, see Rev. Proc. 2001-10 if you are a qualifying taxpayer or Rev. Proc. 2002-28 if you are a qualifying small business taxpayer. You can find Rev. Proc. 2001-10 on page 2-2 of Internal Revenue Bulletin 2001-12 at www.irs.gov/pub/irs-rb01-12.pdf, and Rev. Proc. 2002-28 on page 815 of Internal Revenue Bulletin 2002-18 at www.irs.gov/pub/irs-rb02-18.pdf.

Chemical Manufacturing

3.

Couriers & Messengers	473940	Jewelry watch	non-ex
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Merchant Wholesalers, Nondurable Goods	
42400	Apparel, piece goods, & notions
42460	Beer, wine, & distilled spirits
42480	Books, periodicals, & newspapers
42600	Chemical & allied products
42610	Drugs & druggists' sundries
42650	Farm product raw materials
42690	Farm supplies
42900	Flower nursery stock, & florists' supplies
42440	Grocery & related products
42950	Paint, varnish, & supplies
42100	Paper & paper products
42170	Perfume & perfume products
42940	Optical instruments
42990	Other nondurable merchandise goods
Wholesale Electronic Markets and Agents & Brokers	
42510	Business to business electronic markets
42520	Wholesale trade agents & brokers
99099	Unidentified establishments (unable to classify)



Department of the Treasury
Internal Revenue Service

2005 Instructions for Schedule D

Capital Gains and Losses

Use Schedule D (Form 1040) to report the following:

- The sale or exchange of a capital asset (defined on this page) not reported on another form or schedule.

- Gains from involuntary conversions (other than from casualty or theft) of capital assets not held for business or profit.
- Capital gain distributions not reported directly on Form 1040, line 13.
- Nonbusiness bad debts.

Additional information. See Pub. 544 and Pub. 550 for more details. For a comprehensive full-on example of Schedule D, see Pub. 550.

Use Form 8821 to report like-kind exchanges. A like-kind exchange occurs when you exchange business or investment property for property of a like kind.

Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, stocks, and bonds are capital assets. A capital asset is any property held by you except the following:

- Stock in trade or other property included in inventory or held mainly for sale to customers.
- Accounts or notes receivable for services performed in the ordinary course of your trade or business or as an employee, or from the sale of stock in trade or other property held mainly for sale to customers.
- Depreciable property used in your trade or business, even if it is fully depreciated.
- Real estate used in your trade or business.
- Copyrights, literary, musical, or artistic compositions, letters or memoranda, or similar property (a) created by your personal efforts, (b) prepared or produced for you (in the case of letters, memoranda, or similar property), or (c) that you received from someone who created them or for whom they were created, as mentioned in (a) or (b), in a way (such as by gift) that entitled you to the basis of the previous owner.
- U.S. Government publications, including the Congressional Record, that you received from the government, other than by purchase at the normal sales price, or that you got from someone who had received it in a similar way, if your basis is determined by reference to the previous owner's basis.
- Certain commodities derivative financial instruments held by a dealer. See section 1221(a)(6).
- Certain hedging transactions entered into in the normal course of your trade or business. See section 1221(a)(7).
- Supplies regularly used in your trade or business.

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Cat. No 243311

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

Employment zone business stock. You can now exclude up to 60% of the gain on the sale or exchange of qualified small business stock of an employment zone business if certain requirements are met. See Explanation of Gain on Qualified Small Business (QSB) Stock on page D-4.

Other Forms You May Have to File

Use Form 4797 to report the following:

1. The sale or exchange of:
 - a. Property used in a trade or business,
 - b. Depreciable and amortizable property, or
 - c. Oil, gas, geothermal, or other mineral property, and
- d. Section 126 property.
2. The involuntary conversion (other than from casualty or theft) of property used in a trade or business and capital assets held for business or profit.
3. The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the ordinary course of your trade or business.
4. Ordinary loss on the sale, exchange, or worthlessness of small business investment company (section 1242) stock.
5. Ordinary loss on the sale, exchange, or worthlessness of small business (section 1244) stock.
6. Ordinary gain or loss on securities held in connection with your trading business, if you previously made a mark-to-market election. See *Traders in Securities* on page D-3.

Use Form 4684 to report involuntary conversions of property due to casualty or theft.

Use Form 6781 to report gains and losses from section 1256 contracts and straddles.

for Schedule B for filing requirements for Forms 1099-DIV and 1096.

Sale of Your Home

If you sold or exchanged your main home, do not report it on your tax return unless your gain exceeds your exclusion amount. Your exclusion amount is zero if you acquired your home in a like-kind exchange and you sold or exchanged the home during the 5-year period beginning on the date you acquired it. Generally, if you meet the two tests below, you can exclude up to \$250,000 of gain. If both you and your spouse meet these tests and you file a joint return, you can exclude up to \$500,000 of gain (but only one spouse needs to meet the ownership requirement in Test 1).

Test 1. You owned and used the home as your main home for 2 years or more during the 5-year period ending on the date you sold or exchanged your home.

Test 2. You have not sold or exchanged another main home during the 2-year period ending on the date of the sale or exchange of your home.

Even if you do not meet one or both of the above two tests, you still can claim an exclusion if you sold or exchanged the home because of a change in place of employment, health, or certain unforeseen circumstances. In this case, the maximum amount of gain you can exclude is reduced.

You can choose to have the 5-year test period for ownership and use in Test 1 above suspended during any period you or your spouse serve on qualified official extended duty as a member of the uniformed services of Foreign Service of the United States. This means you may be able to meet Test 1 even if, because of your service, you did not actually use the home as your main home for at least the required 2 years during the 5-year period ending on the date of sale.

See Pub. 523 for details, including how to report any taxable gain if:

- You (or your spouse if married) used any part of the home for business or rental purposes after May 6, 1997, or
- Your gain exceeds your exclusion amount.

Partnership Interests

A sale or other disposition of an interest in a partnership may result in ordinary income, collectibles gain (28% rate gain), or unreaptured section 1250 gain. For details on 28% rate gain, see the instructions for line 18 on page D-7. For details on unreaptured section 1250 gain, see the instructions for line 19 beginning on page D-7.

Capital Assets Held for Personal Use

Generally, gain from the sale or exchange of a capital asset held for personal use is a capital gain. Report it on Schedule D, Part I or Part II. However, if you converted depreciable property to personal use, all or part of the gain on the sale or exchange of that property may have to be recaptured as ordinary income. Use Part III of Form 4797 to figure the amount of ordinary income re-

capture. The recapture amount is included on line 31 (and line 13) of Form 4797. Do not enter any gain for this property on line 32 of Form 4797. If you are not completing Part III for any other properties, enter "N/A" on line 32. If the total gain is more than the recapture amount, enter "from Form 4797" in column (a) of line 1 or 8 of Schedule D, skip columns (b) through (e), and in column (f) enter the excess of the total gain over the recapture amount.

Loss from the sale or exchange of a capital asset held for personal use is not deductible. But if you had a loss from the sale or exchange of real estate held for personal use for which you received a Form 1099-S, you must report the transaction on Schedule D. Even though the loss is not deductible, for example, you have a loss on the sale of a vacation home that is not your main home and you received a Form 1099-S for the transaction. Report the transaction on line 1 or 8, depending on how long you owned the home. Complete columns (a) through (e). Because the loss is not deductible, enter -0- in column (f).

Nondeductible Losses

Do not deduct a loss from the direct or indirect sale or exchange of property between any of the following:

- Members of a family.
- A corporation and an individual owning more than 50% of the corporation's stock (unless the loss is from a distribution in complete liquidation of a corporation).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a beneficiary of another trust created by the same grantor.
- An executor of an estate and a beneficiary of that estate, unless the sale or exchange was to satisfy a pecuniary bequest (that is, a bequest of a sum of money).
- An individual and a tax-exempt organization controlled by the individual or the individual's family.

See Pub. 544 for more details on sales and exchanges between related parties.

If you disposed of (a) an asset used in an activity to which the at-risk rules apply or (b) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198.

If the loss is allowable under the at-risk rules, it then may be subject to the passive activity rules. See Form 8582 and its instructions for details on reporting capital gains and losses from a passive activity.

See Pub. 544 for more details on sales and exchanges between related parties.

If you disposed of (a) an asset used in an activity to which the at-risk rules apply or (b) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198.

If the loss is allowable under the at-risk rules, it then may be subject to the passive activity rules. See Form 8582 and its instructions for details on reporting capital gains and losses from a passive activity.

Items for Special Treatment

• Transactions by a securities dealer. See section 1236.

• Bonds and other debt instruments. See Pub. 550.

• Certain real estate subdivided for sale that may be considered a capital asset. See section 1237.

• Gain on the sale of depreciable property to a more than 50% owned entity or to

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a trust of which you are a beneficiary. See Pub. 544.

- Gain on the disposition of stock in an interest charge domestic international sales corporation. See section 995(c).

- Gain on the sale or exchange of stock in certain foreign corporations. See section 1248.

- Transfer of property to a partnership that would be treated as an investment company if it were incorporated. See Pub. 541.

- Sales of stock received under a qualified public utility dividend reinvestment plan. See Pub. 550.

- Transfer of appreciated property to a political organization. See section 84.

- In general, no gain or loss is recognized on the transfer of property from an individual to a spouse or a former spouse if the transfer is incident to a divorce. See Pub. 504.

- Amounts received on the retirement of a debt instrument generally are treated as received in exchange for the debt instrument. See Pub. 550.

- Any loss on the disposition of converted woodland or highly erodible cropland that is first used for farming after March 1, 1980, is reported as a long-term capital loss on Schedule D, but any gain is reported as ordinary income on Form 4797.

- If qualified dividends that you reported on Form 1040, line 9b, include extraordinary dividends, any loss on the sale or exchange of the stock is a long-term capital loss to the extent of the extraordinary dividends. An extraordinary dividend is a dividend that equals or exceeds 10% (5% in the case of preferred stock) of your basis in the stock.

- Amounts received by shareholders in corporate liquidations. See Pub. 550.

- Cash received in lieu of fractional shares of stock as a result of a stock split or stock dividend. See Pub. 550.

- Mutual fund load charges, which may not be taken into account in determining gain or loss on certain dispositions of stock in mutual funds if reinvestment rights were exercised. See Pub. 564.

- The sale or exchange of S corporation stock or an interest in a trust held for more than 1 year, which may result in collectibles gain (28% rate gain). See page D-7.

- Gain or loss on the disposition of securities futures contracts. See Pub. 550.

- Gain on the constructive sale of certain appreciated financial positions. See Pub. 550.

- Certain constructive ownership transactions. Gain in excess of the gain you would have recognized if you had held a financial asset directly during the term of a derivative contract must be treated as ordinary income. See section 1260. If any portion of the constructive ownership transaction was open in any prior year, you may have to pay interest. See section 1260(b) for details, including how to figure the interest. Include the interest as an additional tax on Form 1040, line 63. Write

Empowerment Zone Business Stock

You generally can exclude up to 60% of your gain if you meet the following additional requirements:

1. The stock you sold or exchanged was stock in a corporation that qualified as an empowerment zone business during substantially all of the time you held the stock.
2. You acquired the stock after December 21, 2000.

Requirement 1 will still be met if the corporation ceased to qualify after the 5-year period that began on the date you acquired the stock. However, the gain that qualifies for the 60% exclusion cannot be more than the gain you would have had if you had sold the stock on the date the corporation ceased to qualify.

For more information on empowerment zone businesses, see Pub. 951.

Pass-Through Entities

If you held an interest in a pass-through entity (a partnership, S corporation, or mutual fund or other regulated investment company) that sold QSB stock, to qualify for the exclusion you must have held the interest on the date the pass-through entity acquired the QSB stock, and at all times thereafter until the stock was sold.

How To Report

Report on line 8 the entire gain realized on the sale of QSB stock. Complete all columns as indicated. Directly below the line on which you reported the gain, enter in column (a) "Section 1202 exclusion" and column (b) "Rate Gain Worksheet on page D-7." If you excluded 60% of the gain, enter -- of the exclusion.

Gain from Form 1099-DIV. If you received a Form 1099-DIV with a gain in box 2c, part or all of that gain (which is also included in box 2a) may be eligible for the section 1202 exclusion. In column (a) of line 8, enter the name of the corporation whose stock was sold. In column (f), enter the amount of your allowable exclusion as a loss. If you are completing line 18 of Schedule D, enter as a positive number the amount of your allowable exclusion on line 2 of the 28% Rate Gain Worksheet on page D-7. If you excluded 60% of the gain, enter -- of the exclusion.

Gain from Form 2439. If you received a Form 2439 with a gain in box 1c, part or all of that gain (which is also included in box 1a) may be eligible for the section 1202 exclusion. In column (a) of line 8, enter the name of the corporation whose stock was sold. In column (f), enter the amount of your allowable exclusion as a loss. If you are completing line 18 of Schedule D, enter as a positive number the amount of your allowable exclusion on line 2 of the 28% Rate Gain Worksheet on page D-7. If you excluded 60% of the gain, enter -- of the exclusion.

1. It must be stock in a C corporation (that is, not S corporation stock).
2. It must have been originally issued after August 10, 1993.
3. As of the date the stock was issued, the corporation was a domestic C corporation with total gross assets of \$50 million or less (a) at all times after August 9, 1993, and before the stock was issued and (b) immediately after the stock was issued. Gross assets include those of any predecessor of the corporation. All corporations that are members of the same parent-subsidiary controlled group are treated as one corporation.

4. You must have acquired the stock at its original issue (either directly or through an underwriter), either in exchange for money or other property or as payment for services (other than as an underwriter) to the corporation. In certain cases, you may meet the test if you acquired the stock from another person who met the test (such as by gift or inheritance) or through a conversion or exchange of QSB stock you held.

5. During substantially all the time you held the stock:

- a. The corporation was a C corporation.
- b. At least 80% of the value of the corporation's assets were used in the active conduct of one or more qualified businesses (defined below), and
- c. The corporation was not a foreign corporation, DISC, former DISC, regulated investment company, real estate investment trust, REMIC, FASIT, cooperative, or a corporation that has made (or that has a subsidiary that has made) a section 936 election.



TIP
SSBIC. A specialized small business investment company (SSBIC) is treated as having met test 4b above.

Qualified Business

A qualified business is any business that is not one of the following:

- A business involving services performed in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, or brokerage services.
- A business whose principal asset is the reputation or skill of one or more employees.
- A banking, insurance, financing, leasing, investing, or similar business.
- A farming business (including the raising or harvesting of trees).
- A business involving the production of products for which percentage depletion can be claimed.
- A business of operating a hotel, motel, restaurant, or similar business.

For more details about limits and additional requirements that may apply, see section 1302.

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Also use Form 6252 to report any payment received in 2005 from a sale made in an earlier year that you reported on the installment method.

To elect out of the installment method, report the full amount of the gain on Schedule D on a timely filed return (including extensions) for the year of the sale. If your original return was filed on time, you may make the election on an amended return filed no later than 6 months after the due date of your return (excluding extensions). Write "Filed pursuant to section 301.9100-2," at the top of the amended return.

Demutualization of Life Insurance Companies

Demutualization of a life insurance company occurs when a mutual life insurance company changes to a stock company. If you were a policyholder or annuitant of the mutual company, you may have received other stock in the stock company or cash in exchange for your equity interest in the mutual company. The basis of your equity interest in the mutual company is considered to be zero.

If the demutualization transaction qualifies as a tax-free reorganization, no gain is recognized on the exchange of your equity interest in the mutual company for stock. The company can advise you if the transaction is a tax-free reorganization. Because the basis of your equity interest in the mutual company is considered to be zero, your basis in the stock received is zero. Your holding period for the new stock includes the period you held an equity interest in the mutual company. If you received cash in exchange for your equity interest, you must recognize a capital gain in an amount equal to the cash received. If you held the equity interest for more than 1 year, report the gain as a long-term capital gain on line 8. If you held the equity interest for 1 year or less, report the gain as a short-term capital gain on line 1.

If the demutualization transaction does not qualify as a tax-free reorganization, you must recognize a capital gain in an amount equal to the cash and fair market value of the stock received. If you held the equity interest for more than 1 year, report the gain as a long-term capital gain on line 8. If you held the equity interest for 1 year or less, report the gain as a short-term capital gain on line 1. Your holding period for the new stock begins on the day after you received the stock.

Exclusion of Gain on Qualified Small Business (QSB) Stock

Section 1202 allows for an exclusion of up to 50% of the eligible gain on the sale or exchange of QSB stock. The section 1202 exclusion applies only to QSB stock held for more than 5 years. The exclusion can be used up to 60% for certain empowerment zone business stock. See *Empowerment Zone Business Stock* on this page.

To be QSB stock, the stock must meet all of the following tests:

separate brokerage account). Securities held for investment are not marked-to-market.

Short Sales

A short sale is a contract to sell property you borrowed for delivery to a buyer. At a later date, you either buy substantially identical property and deliver it to the lender or deliver property that you held but did not want to transfer at the time of the sale. Usually, your holding period is the amount of time you actually held the property eventually delivered to the lender to close the short sale. However, your gain when closing a short sale is short term if you (a) held substantially identical property for 1 year or less on the date of the short sale or (b) acquired property substantially identical to the property sold short after the short sale but on or before the date you close the short sale. If you held substantially identical property for more than 1 year on the date of a short sale, any loss realized on the short sale is a long-term capital loss, even if the property used to close the short sale was held 1 year or less.

Gain or Loss From Options

Report on Schedule D gain or loss from the closing or expiration of an option that is not a section 1256 contract but is a capital asset in your hands. If an option you purchased expired, enter the expiration date in column (c) and enter "EXPIRED" in column (d). If an option that was granted (written) expired, enter the expiration date in column (b) and enter "EXPIRED" in column (e). Fill in the other columns as appropriate. See Pub. 550 for details.

Undistributed Capital Gains

Include on line 11 the amount from box 1a of Form 2439. This represents your share of the undistributed long-term capital gains of the regulated investment company (including a mutual fund) or real estate investment trust.

If there is an amount in box 1b, include that amount on line 11 of the Unrecaptured Section 1250 Gain Worksheet on page D-8. If you complete line 19 of Schedule D, include in an amount in box 1c, see *Exclusion of Gain on Qualified Small Business (QSB) Stock* on page D-4.

If there is an amount in box 1d, include that amount on line 4 of the 28% Rate Gain Worksheet on page D-7. If you complete line 18 of Schedule D:

Enter on Form 1040, line 70, the tax paid as shown in box 2 of Form 2439. Also on line 70, check the box for Form 2439. Add to the basis of your stock the excess of the amount included in income over the amount of the credit for the tax paid. See Pub. 550 for details.

Installment Sales

If you sold property (other than publicly traded stocks or securities) at a gain and you will receive a payment in a tax year after the year of sale, you generally must report the sale on the installment method unless you elect not to. Use Form 6252 to report the sale on the installment method.

You are considered an investor, and not a trader, if your activity does not meet the above definition of a business. It does not matter whether you call yourself a trader or a "day trader."

Like an investor, a trader must report each sale of securities (taking into account commissions and any other costs of acquiring or disposing of the securities) on Schedule D on D-1 or on an attached statement containing all of the same information for each sale in a similar format. However, if a trader previously made the mark-to-market election (see below), each transaction is reported in Part II of Form 1040 instead of Schedules D and D-1. Regardless of whether a trader reports his or her gains and losses on Schedules D and D-1 or Form 1040, the gain or loss from the disposition of securities is not taken into account when figuring net earnings from self-employment on Schedule SE. See the instructions for Schedule SE for an exception that applies to section 1256 contracts.

The limitation on investment interest expense that applies to investors does not apply to interest paid or incurred in a trading business. A trader reports interest expense and other expenses (excluding commissions and other costs of acquiring or disposing of securities) from a trading business on Schedule C (instead of Schedule A).

A trader also may hold securities for investment. The rules for investors generally will apply to those securities. Allocate interest and other expenses between your trading business and your investment securities.

Mark-To-Market Election for Traders

A trader may make an election under section 475(f) to report all gains and losses from securities held in connection with trading business as ordinary income (or loss), including those from securities held at the end of the year. Securities held at the end of the year are "marked to market" by treating them as if they were sold (and reacquired) for fair market value on the last business day of the year. Generally, the election must be made by the due date (not including extensions) of the tax return for the year prior to the year for which the election becomes effective. To be effective for 2005, the election must have been made by April 15, 2005.

Starting with the year the election becomes effective, a trader reports all gains and losses from securities held in connection with the trading business, including securities held at the end of the year, in Part II of Form 4797. If you previously made the election, see the instructions for Form 4797. For details on making the mark-to-market election for 2005, see Pub. 550 or Rev. Proc. 99-17, 1999-1 CB 503. You can find Rev. Proc. 99-17 on page 52 of Internal Revenue Bulletin 1999-17 at www.irs.gov/pub/irs-bulfin99-17.pdf.

If you hold securities for investment, you must identify them as such in your records on the day you acquired them (for example, by holding the securities in a

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"Section 1260(b) interest" and the amount of the interest to the left of line 63. This amount is not deductible.

- The sale of publicly traded securities, if you sold to pursue gain by purchasing common stock or a partnership interest in a specialized small business investment company during the 60-day period that began on the date of the sale. (See Pub. 550.)

• The sale of qualified securities held for at least 3 years, to an employee stock ownership plan or eligible worker-owned cooperative, if you elect to postpone gain by purchasing qualified replacement property. (See Pub. 550.)

• Gain or loss from the disposition of stock or other securities in an investment club. (See Pub. 550.)

Wash Sales

A wash sale occurs when you sell or otherwise dispose of stock or securities (including a contract or option to acquire or sell stock or securities) at a loss and, within 30 days before or after the sale or disposition, you:

- Buy substantially identical stock or securities,
- Acquire substantially identical stock or securities in a fully taxable trade, or
- Enter into a contract or option to acquire substantially identical stock or securities.

You cannot deduct losses from wash sales unless the loss was incurred in the ordinary course of your business as a dealer in stock or securities. The basis of the substantially identical property (or contract or option to acquire such property) is its cost increased by the disallowed loss. For more details on wash sales, see Pub. 550.

Report a wash sale transaction on line 1 or 8. Enter the full amount of the (loss) in column (f). Directly below the line on which you reported the loss, enter "Wash Sale" in column (a), and enter as a positive amount in column (f) the amount of the loss not allowed.

Traders in Securities

You are a trader in securities if you are engaged in the business of buying and selling securities for your own account. To be engaged in business as a trader in securities, you must seek to profit from daily market movements in the prices of securities and not from dividends, interest, or capital appreciation.

- Your activity must be substantial.
- You must carry on the activity with continuity and regularity.

The following facts and circumstances should be considered in determining if your activity is a business:

- Typical holding periods for securities bought and sold.
- The frequency and dollar amount of your trades during the year.
- The extent to which you pursue the activity to produce income for a livelihood.
- The amount of time you devote to the activity.

Gain from an installment sale of QSB stock. If all payments are not received in the year of sale, a sale of QSB stock that is not traded on an established securities market generally is treated as an installment sale and is reported on Form 6252. Figure the allowable section 1202 exclusion for the year by multiplying the total amount of the exclusion by a fraction, the numerator of which is the amount of eligible gain to be recognized for the tax year and the denominator of which is the total amount of eligible gain. In column (a) of line 8, enter the net of the corporation whose stock was sold in column (f), enter the amount of your allowable exclusion as a loss. If you are completing line 18 of Schedule D, enter as a positive number the amount of your allowable exclusion on line 2 of the 28% Rate Gain Worksheet on page D-7. If you excluded 60% of the gain, enter -1% of the exclusion.

Alternative minimum tax. You must enter -1% of your allowable exclusion for the year on line 12 of Form 6251.

Rollover of Gain From QSB Stock

If you sold QSB stock (defined on page D-1) that you held for more than 6 months, you may elect to postpone gain if you purchase other QSB stock during the 60-day period that began on the date of the sale. A pass-through entity also may make the election to postpone gain. The benefit of the postponed gain applies to your share of the entity's postponed gain if you held an interest in the entity for the entire period the entity held the QSB stock. If a pass-through entity sold QSB stock held for more than 6 months and you held an interest in the entity for the entire period the entity held the stock, you also may elect to postpone gain if you, rather than the pass-through entity, purchase the replacement QSB stock within the 60-day period.

You must recognize gain to the extent the sale proceeds exceed the cost of the replacement stock. Reduce the basis of the replacement stock by any postponed gain.

You must make the election no later than the due date (including extensions) for filing your tax return for the tax year in which the QSB stock was sold. If your original return was filed on time, you may make the election on an amended return filed no later than 6 months after the due date of your return (excluding extensions). Write "Filed pursuant to section 301.9100-2," at the top of the amended return.

To make the election, report the entire gain realized on the sale on line 1 or 8. Directly below the line on which you reported the gain, enter in column (a) "Section 1045 rollover," and enter the amount of the postponed gain as a (loss) in column (f).

Rollover of Gain From Empowerment Zone Assets

If you sold a qualified empowerment zone asset that you held for more than 1 year, you may be able to elect to postpone part or all of the gain that you would otherwise include on Schedule D. If you make the elec-

Schedule D, line 8, use the line directly below the line on which you are reporting the sale.

See section 1397B for more details.

Exclusion of Gain From DC Zone Assets

If you sold or exchanged a District of Columbia Enterprise Zone (DC Zone) asset that you held for more than 5 years, you may be able to exclude the amount of qualified capital gain that you would otherwise include on Schedule D. The exclusion applies to an interest in, or property of, certain businesses operating in the District of Columbia.

DC Zone asset. A DC Zone asset is any of the following:

- DC Zone business stock
- DC Zone partnership interest
- DC Zone business property

Qualified capital gain. Qualified capital gain is any gain recognized on the sale or exchange of a DC Zone asset that is a capital asset or property used in a trade or business. It does not include any of the following gains:

- Gain treated as ordinary income under section 1245.
- Section 1250 gain figured as if section 1250 applied to all depreciation rather than the additional depreciation.
- Gain attributable to real property, or an intangible asset, that is not an integral part of a DC Zone business.
- Gain from a related-party transaction.

See *Sales and Exchanges Between Related Persons* in chapter 2 of Pub. 544.

See Pub. 954 and section 1400B for more details on DC Zone assets and special rules.

How to report. Report the entire gain realized from the sale or exchange as you otherwise would without regard to the exclusion. On Schedule D, line 8, enter "DC Zone Asset" in column (a) and enter as a loss in column (f) the amount of the allowable exclusion. If you are reporting the sale directly on Schedule D, line 8, use the line directly below the line on which you are reporting the sale.

Specific Instructions Lines 1 and 8

Enter all sales and exchanges of capital assets, including stocks, bonds, etc., and real estate (if not reported on Form 4683, 4797, 6252, 6781, or 8824). But do not report the sale or exchange of your main home unless required (see page D-2). Include these transactions even if you did not receive a Form 1099-B or 1099-S (or substitute statement) for the transaction. You can use stock ticker symbols or abbreviations to describe the property as long as they are based on the descriptions of the property as shown on Form 1099-B or 1099-S (or substitute statement).

How to report. Report the entire gain realized from the sale as you otherwise would without regard to the election. On Schedule D, line 8, enter "Section 1397B Rollover" in column (a) and enter as a loss in column (f) the amount of gain included on Schedule D that you are electing to postpone. If you are reporting the sale directly on

column (b) instead of the date you acquired the property.

If you sold a block of stock (or similar property) that you acquired through several different purchases, you may report the sale on one line and enter "VARIOUS" in column (b). However, you still must report the short-term gain or (loss) on the sale in Part I and the long-term gain or (loss) in Part II.

Column (c)—Date Sold

Enter in this column the date you sold the asset. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date you sold the stock or property you borrowed to open the short sale transaction.

Column (d)—Sales Price

Enter in this column either the gross sales price or the net sales price from the sale. If you sold stocks or bonds and you received a Form 1099-B (or substitute statement) from the broker that shows gross sales price, enter that amount in column (d). But if Form 1099-B (or substitute statement) indicates that gross proceeds minus commissions and option premiums were reported to the IRS, enter that net amount in column (d). If you enter the net amount in column (d), do not include the commissions and option premiums from the sale in column (e).

You should not have received a Form 1099-B (or substitute statement) for a transaction merely representing the return of your original investment in a nontransferable obligation, such as a savings bond or a certificate of deposit. But if you did, report the amount shown on Form 1099-B (or substitute statement) in both columns (d) and (e).

Capital Loss Carryover Worksheet—Lines 6 and 14

Use this worksheet to figure your capital loss carryovers from 2004 to 2005 if your 2004 Schedule D, line 21, is a loss and (a) that loss is a smaller loss than the loss on your 2004 Schedule D, line 16, or (b) your 2004 Form 1040, line 40, is a loss. Otherwise, you do not have any carryovers.

1. Enter the amount from your 2004 Form 1040, line 40. If a loss, enclose the amount in parentheses.
2. Enter the loss from your 2004 Schedule D, line 21, as a positive amount.
3. Combine lines 1 and 2. If zero or less, enter -0.
4. Enter the smaller of line 2 or line 3.
5. If line 7 of your 2004 Schedule D is a loss, go to line 5; otherwise, enter -0 on line 5 and go to line 9.
6. Enter any gain from your 2004 Schedule D, line 15.
7. Add lines 4 and 6.
8. Short-term capital loss carryover for 2005. Subtract line 7 from line 5. If zero or less, enter -0. If more than zero, also enter this amount on Schedule D, line 6.
9. If line 15 of your 2004 Schedule D is a loss, go to line 9; otherwise, skip lines 9 through 13.
10. Enter the loss from your 2004 Schedule D, line 15, as a positive amount.
11. Subtract line 9 from line 4. If zero or less, enter -0.
12. Add lines 10 and 11.
13. Long-term capital loss carryover for 2005. Subtract line 12 from line 9. If zero or less, enter -0. If more than zero, also enter this amount on Schedule D, line 14.

fair market value at the date of death. See Pub 551 for details.

Increase the cost or other basis of an interest in a partnership, S corporation, or trust held for more than 1 year and attributable to unrealized appreciation of collectibles. For details, see Regulations section 1.1011-1(c). Also, attach the statement required under Regulations section 1.1011-1(e).

Line 19

If you checked "Yes" on line 17, complete the worksheet on page D-8 if any of the following apply for 2005:

- You sold or otherwise disposed of section 1250 property (generally, real property that you depreciated) held more than 1 year.
- You received installment payments for section 1250 property held more than 1 year for which you are reporting gain on the installment method.
- You received a Schedule K-1 from an estate or trust, partnership, or S corporation that shows "unrecaptured section 1250 gain."
- You received a Form 1099-DIV or Form 2439 from a real estate investment trust or regulated investment company (including a mutual fund) that reports "unrecaptured section 1250 gain."
- You reported a long-term capital gain from the sale or exchange of an interest in a partnership that owned section 1250 property.

If you checked "Yes" on line 17, complete the worksheet below if either of the following apply for 2005:

Column (f)—Gain or (Loss)

You must make a separate entry in this column for each transaction reported on lines 1 and 3 and any other lines that apply to you. For lines 1 and 3, subtract the amount in column (e) from the amount in column (d). Enter negative amounts in parentheses.

Line 18

If you checked "Yes" on line 17, complete the worksheet below if either of the following apply for 2005:

• You reported in Part II a section 1202 exclusion from the eligible gain on qualified small business stock (see page D-1), or

• You reported in Part II a collectibles gain or (loss). A collectible is any long-term gain or (loss) is any long-term loss from the sale or exchange of a collectible that is a capital asset.

Collectibles include works of art, rugs, antiques, metals (such as gold, silver, and platinum bullion), gems, stamps, coins, alcoholic beverages, and certain other tangible property.

Include on the worksheet any gain (but not loss) from the sale or exchange of an

(or the comparable lines of Form 4797 for the year of sale) for the property.

Step 2. Reduce the amount figured in step 1 by any section 1250 ordinary income recapture for the sale. This is the amount from line 26 of your 2005 Form 4797 for the year of sale) for the property. The result is your total unrecaptured section 1250 gain that must be allocated to the installment payments received from the sale.

Step 3. Generally, the amount of section 1231 gain on each installment payment is treated as unrecaptured section 1250 gain until the total unrecaptured section 1250 gain figured in step 2 has been used in full. Figure the amount of gain treated as unrecaptured section 1250 gain for installment payments received in 2005 as the smaller of:

- (a) the amount from line 26 or line 37 of your 2005 Form 6252, whichever applies, or
- (b) the amount of unrecaptured section 1250 gain remaining to be reported. This amount is generally the total unrecaptured section 1250 gain for the sale reduced by all gain reported in prior years (excluding section 1250 ordinary income recapture). However, if you chose not to treat all of the gain from payments received after May 6, 1997, and before August 24, 1999, as unrecaptured section 1250 gain, use only the amount you chose to treat as unrecaptured section 1250 gain for those payments to reduce the total unrecaptured section 1250 gain remaining to be reported for the sale. Include this amount on line 4.

Line 10. Include on line 10 your share of the partnership's unrecaptured section 1250 gain that would result if the partnership had transferred all of its section 1250 property in a fully taxable transaction immediately before you sold or exchanged your interest in that partnership if you recognized less than all of the realized gain, the partnership will be treated as having transferred only a proportionate amount of each section 1250 property. For details, see Regulations section 1.1011-1. Also attach the statement required under Regulations section 1.1011-1(e).

Line 12. An example of an amount to include on line 12 is unrecaptured section

1250 gain from the sale of a vacation home you previously used as a rental property but converted to personal use prior to the sale. Figure the amount of gain treated as unrecaptured section 1250 gain for installment payments received in 2005 as the smaller of:

- (a) the amount from line 26 or line 37 of your 2005 Form 6252, whichever applies, or
- (b) the amount of unrecaptured section 1250 gain remaining to be reported. This amount is generally the total unrecaptured section 1250 gain for the sale reduced by all gain reported in prior years (excluding section 1250 ordinary income recapture). However, if you chose not to treat all of the gain from payments received after May 6, 1997, and before August 24, 1999, as unrecaptured section 1250 gain, use only the amount you chose to treat as unrecaptured section 1250 gain for those payments to reduce the total unrecaptured section 1250 gain remaining to be reported for the sale. Include this amount on line 12.

Other sales or dispositions of section 1250 property. For each sale of property held more than 1 year (for which you did not make an entry in Part I of Form 4797), figure the smaller of (a) the depreciation allowed or allowable or (b) the total gain for the sale. This is the smaller of line 22 or line 24 of your 2005 Form 4797 for the year of sale) for the property.

Step 2. Reduce the amount figured in step 1 by any section 1250 ordinary income recapture for the sale. This is the amount from line 26 of your 2005 Form 4797 for the year of sale) for the property. The result is your total unrecaptured section 1250 gain that must be allocated to the installment payments received from the sale.

Step 3. Generally, the amount of capital gain on each installment payment is treated as unrecaptured section 1250 gain

until the total unrecaptured section 1250 gain figured in step 2 has been used in full. Figure the amount of gain treated as unrecaptured section 1250 gain for installment payments received in 2005 as the smaller of:

- (a) the amount from line 26 or line 37 of your 2005 Form 6252, whichever applies, or
- (b) the amount of unrecaptured section 1250 gain remaining to be reported. This amount is generally the total unrecaptured section 1250 gain for the sale reduced by all gain reported in prior years (excluding section 1250 ordinary income recapture). However, if you chose not to treat all of the gain from payments received after May 6, 1997, and before August 24, 1999, as unrecaptured section 1250 gain, use only the amount you chose to treat as unrecaptured section 1250 gain for those payments to reduce the total unrecaptured section 1250 gain remaining to be reported for the sale. Include this amount on line 12.

Other sales or dispositions of section 1250 property. For each sale of property held more than 1 year (for which you did not make an entry in Part I of Form 4797), figure the smaller of (a) the depreciation allowed or allowable or (b) the total gain for the sale. This is the smaller of line 22 or line 24 of your 2005 Form 4797 for the year of sale) for the property.

Step 2. Reduce the amount figured in step 1 by any section 1250 ordinary income recapture for the sale. This is the amount from line 26 of your 2005 Form 4797 for the year of sale) for the property. The result is your total unrecaptured section 1250 gain that must be allocated to the installment payments received from the sale.

Step 3. Generally, the amount of capital gain on each installment payment is treated as unrecaptured section 1250 gain

line 24 of Form 4797 for the property. Next, reduce that amount by any section 1250 ordinary income recapture for the sale. This is the amount from line 26 of Form 4797 for the property. The result is the total unrecaptured section 1250 gain for the sale. Include this amount on line 12.

Line 21

You have a capital loss carryover from 2005 to 2006 if you have a loss on line 16 and either:

- That loss is more than the loss on line 21; or
- Form 1040, line 41, is less than zero.

To figure any capital loss carryover to 2006, you will use the Capital Loss Carryover Worksheet in the 2006 Instructions for Schedule D. If you want to figure your carryover now, see Pub 550.

TIP You will need a copy of your 2005 Form 1040 and Schedule D to figure your capital loss carryover to 2006.

Keep for Your Records

Unrecaptured Section 1250 Gain Worksheet—Line 19

If you are not reporting a gain on Form 4797, line 7, skip lines 1 through 9 and go to line 10.

- If you have a section 1250 property in Part III of Form 4797 for which you made an entry in Part I of Form 4797 (but not on Form 6252), enter the smaller of line 22 or line 24 of Form 4797 for that property. If you did not have any such property, go to line 4. If you had more than one such property, see instructions.
- Enter the amount from Form 4797, line 26, for the property for which you made an entry on line 1.
- Subtract line 2 from line 1.
- Enter the total unrecaptured section 1250 gain included on line 26 or line 37 of Form(s) 6252 from installment sales of trade or business property held more than 1 year (see instructions).
- Enter the total of any amounts reported to you on a Schedule K-1 from a partnership or an S corporation as "unrecaptured section 1250 gain."
- Add lines 3 through 5.
- Enter the smaller of line 6 or the gain from Form 4797, line 7.
- Enter the amount, if any, from Form 4797, line 8.
- Subtract line 8 from line 7. If zero or less, enter -0-
- Enter the amount of any gain from the sale or exchange of an interest in a partnership attributable to unrecaptured section 1250 gain (see instructions).
- Enter the total of any amounts reported to you on a Schedule K-1, Form 1099-DIV, or Form 2439 as "unrecaptured section 1250 gain" from an estate, trust, real estate investment trust, or mutual fund (or other regulated investment company).
- Enter the total of any unrecaptured section 1250 gain from sales (including installment sales) or other dispositions of section 1250 property held more than 1 year for which you did not make an entry in Part I of Form 4797 for the year of sale (see instructions).
- Add lines 9 through 12.
- If you had any section 1202 gain or collectibles gain or (loss), enter the total of lines 1 through 4 of the 28% Rate Gain Worksheet on page D-7. Otherwise, enter -0-.
- Enter the (loss), if any, from Schedule D, line 7. If Schedule D, line 7, is zero or a gain, enter -0-.
- Enter your long-term capital loss carryovers from Schedule D, line 14, and Schedule K-1 (Form 1041), box 11, code C.
- Combine lines 14 through 16. If the result is a (loss), enter it as a positive amount. If the result is zero or a gain, enter -0-.
- Unrecaptured section 1250 gain. Subtract line 17 from line 13. If zero or less, enter -0-. If more than zero, enter the result here and on Schedule D, line 19.

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Keep for Your Records

28% Rate Gain Worksheet—Line 18

- Enter the total of all collectible gain or (loss) from items you reported on line 8, column (f), of Schedules D and D-1.
- Enter as a positive number the amount of any section 1202 exclusion you reported on line 8, column (f), of Schedules D and D-1, for which you excluded 50% of the gain, plus 4% of any section 1202 exclusion you reported on line 8, column (f), of Schedules D and D-1, for which you excluded 60% of the gain.
- Enter the total of all collectible gain or (loss) from Form 4684, line 4 (but only if Form 4684, line 15, is more than zero), Form 6252, Form 6781, Part II, and Form 8821.
- Enter the total of any collectibles gain reported to you on:
 - Form 1099-DIV, box 2d,
 - Form 2439, box 1d, and
 - Schedule K-1 from a partnership, S corporation, estate, or trust.
- Enter your long-term capital loss carryovers from Schedule D, line 14, and Schedule K-1 (Form 1041), box 11, code C.
- If Schedule D, line 7, is a (loss), enter that (loss) here. Otherwise, enter -0-.
- Combine lines 1 through 6. If zero or less, enter -0-. If more than zero, also enter this amount on Schedule D, line 18.

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Department of the Treasury
Internal Revenue Service

Schedule D Tax Worksheet

Keep for Your Records

Complete this worksheet only if line 18 or line 19 of Schedule D is more than zero. Otherwise, complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the Instructions for Form 1040 to figure your tax.

Exception: Do not use the Qualified Dividends and Capital Gain Tax Worksheet or this worksheet to figure your tax if:

- Line 15 or line 16 of Schedule D is zero or less and you have no qualified dividends on Form 1040, line 9b, or
 - Form 1040, line 43, is zero or less.
- Instead, see the instructions for Form 1040, line 44.

1. Enter your taxable income from Form 1040, line 43	1.	
2. Enter your qualified dividends from Form 1040, line 9b	2.	
3. Enter the amount from Form 952, line 4g	3.	
4. Enter the amount from Form 952, line 4e	4.	
5. Subtract line 4 from line 3. If zero or less, enter -0-	5.	
6. Subtract line 5 from line 2. If zero or less, enter -0-	6.	
7. Enter the smaller of line 5 or line 16 of Schedule D	7.	
8. Enter the smaller of line 3 or line 4	8.	
9. Subtract line 8 from line 7. If zero or less, enter -0-	9.	
10. Add lines 6 and 9	10.	
11. Add lines 18 and 19 of Schedule D	11.	
12. Enter the smaller of line 9 or line 11	12.	
13. Subtract line 12 from line 10	13.	
14. Subtract line 13 from line 1. If zero or less, enter -0-	14.	
15. Enter the smaller of: <ul style="list-style-type: none"> • The amount on line 1 or • \$29,700 if single or married filing separately, • \$59,400 if married filing jointly or qualifying widow(er), or • \$39,600 if head of household 	15.	
16. Enter the smaller of line 14 or line 15	16.	
17. Subtract line 16 from line 1. If zero or less, enter -0-	17.	
18. Enter the larger of line 16 or line 17	18.	
19. If lines 15 and 16 are the same, skip lines 19 and 20 and go to line 21. Otherwise, go to line 19.	19.	
20. Subtract line 16 from line 15	20.	
21. Multiply line 19 by 25% (0.25)	21.	
22. If lines 1 and 15 are the same, skip lines 21 through 33 and go to line 34. Otherwise, go to line 21.	22.	
23. Enter the smaller of line 1 or line 13	23.	
24. Enter the amount from line 19 (if line 19 is blank, enter -0-)	24.	
25. Subtract line 22 from line 21. If zero or less, enter -0-	25.	
26. Multiply line 23 by 15% (0.15)	26.	
27. If Schedule D, line 19, is zero or blank, skip lines 25 through 30 and go to line 31. Otherwise, go to line 25.	27.	
28. Enter the smaller of line 9 above or Schedule D, line 19	28.	
29. Add lines 10 and 18	29.	
30. Subtract line 27 from line 26. If zero or less, enter -0-	30.	
31. Subtract line 29 by 25% (0.25)	31.	
32. If Schedule D, line 18, is zero or blank, skip lines 31 through 33 and go to line 34. Otherwise, go to line 31.	32.	
33. Subtract line 31 from line 1	33.	
34. Multiply line 32 by 25% (0.25)	34.	
35. Figure the tax on the amount on line 18. Use the Tax Table or Tax Computation Worksheet, whichever applies	35.	
36. Add lines 20, 24, 30, 33, and 34	36.	
37. Figure the tax on the amount on line 1. Use the Tax Table or Tax Computation Worksheet, whichever applies	37.	
38. Tax on all taxable income (including capital gains and qualified dividends). Enter the smaller of line 35 or line 36. Also include this amount on Form 1040, line 44	38.	

*If applicable, enter instead the smaller amount you entered on the dotted line next to line 4e of Form 952.

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2005 Instructions for Schedule E (Form 1040)

Supplemental Income and Loss

Use Schedule E (Form 1040) to report income or loss from rental real estate, royalties, partnerships, S corporations, estates, trusts, and residual interests in REMICs.

You can attach your own schedule(s) to report income or loss from any of these sources. Use the same format as on Schedule E.

Enter separately on Schedule E the total income and the total loss for each part. Endorse loss figures in parentheses.

Passive Activity

A passive activity is any business activity in which you did not materially participate and any rental activity, except as explained on this page and page E-2. If you are a limited partner, you generally are not treated as having materially participated in the partnership's activities for the year.

The rental of real or personal property is generally a rental activity under the passive activity loss rules, but exceptions apply. If your rental of property is not treated as a rental activity, you must determine whether it is a trade or business activity, and if so, whether you materially participated in the activity for the tax year.

See the Instructions for Form 8882 to determine whether you materially participated in the activity and for the definition of "rental activity."

See Pub 925 for special rules that apply to rentals of:

- Substantially nondepreciable property.
- Property incidental to development activities, and
- Property to activities in which you materially participate.

Activities That Are Not Passive Activities

Activities of real estate professionals. If you were a real estate professional in 2005, any rental real estate activity in which you materially participated is not a passive activity. You were a real estate professional only if you met both of the following conditions:

1. More than half of the personal services you performed in trades or businesses were performed in real property trades or businesses in which you materially participated.
2. You performed more than "50 hours of services in real property trades or businesses in which you materially participated."

For purposes of this rule, each interest in rental real estate is a separate activity, un-

person (other than you) having such an interest.

Qualified nonrecourse financing. Qualified nonrecourse financing is treated as an amount at risk if it is secured by real property used in an activity of holding real property that is subject to the at-risk rules. Qualified nonrecourse financing is financing for which no one is personally liable for repayment and is:

- Borrowed by you in connection with holding real property (other than mineral property).
- Not convertible from a debt obligation to an ownership interest, and
- Loaned or guaranteed by any federal, state, or local government, or borrowed by you from a qualified person.

Qualified person. A qualified person is a person who actively and regularly engages in the business of lending money, such as a bank or savings and loan association. A qualified person cannot be:

- Related to you (unless the nonrecourse financing obtained is commercially reasonable and on the same terms as loans involving unrelated persons).
- The seller of the property (or a person related to the seller), or
- A person who receives a fee due to your investment in real property (or a person related to that person).

For more details about the at-risk rules, see the Instructions for Form 6198 and Pub 925.

Passive Activity Loss Rules

The passive activity loss rules may limit the amount of losses you can deduct. These rules apply to losses in Parts I, II, and III, and line 40 of Schedule E.

Losses from passive activities may be subject first to the at-risk rules. Losses determined under the at-risk rules are then subject to the passive activity loss rules.

You generally can deduct losses from passive activities only to the extent of income from passive activities. An exception applies to certain rental real estate activities (explained on page E-2).

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- c. Your overall net loss from these activities is \$25,000 or less (\$12,500 or less if married filing separately).
- d. You have no current or prior year unallowed credits from passive activities, and
- e. Your modified adjusted gross income (defined below) is \$100,000 or less (\$50,000 or less if married filing separately).

Active participation. You can meet the active participation requirement without regular, continuous, and substantial involvement in real estate activities. But you must have participated in making management decisions or arranging for others to provide services (such as repairs) in a significant and bona fide sense. Such management decisions include:

- Approving new tenants.
- Deciding on rental terms.
- Approving capital or repair expenditures, and
- Other similar decisions.

You are not considered to actively participate if, at any time during the tax year, your interest (including your spouse's interest) in the activity was less than 10% by value of all interests in the activity.

Modified adjusted gross income. This is your adjusted gross income from Form 1040, line 38, without taking into account:

- Any passive activity loss.
- Rental real estate losses allowed for real estate professionals (see *Activities of real estate professionals* that began on page E-1).

• Taxable social security or tier 1 railroad retirement benefits.

• Deductible contributions to a traditional IRA or certain other qualified retirement plans under section 219.

- The student loan interest deduction.
- The tuition and fees deduction.
- The domestic production activities deduction.
- The deduction for one-half of self-employment tax.

• The exclusion from income of interest from series EE and I U.S. savings bonds used to pay higher education expenses, and

• Any excluded amounts under an employer's adoption assistance program.

Reportable Transaction Disclosure Statement

Use Form 8886 to disclose information for each reportable transaction in which you participated. Form 8886 must be filed for each tax year that your federal income tax liability is affected by your participation in the transaction. You may have to pay a penalty if you are required to file Form 8886 but do not do so. The following are reportable transactions:

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C, Schedule C-EZ, or Form 4835 instead of Schedule E.

If you own a part interest in a rental real estate property, report only your part of the income and expenses on Schedule E.

Complete lines 1 and 2 for each rental real estate property. Leave these lines blank for each royalty property.

If you have more than three rental real estate or royalty properties, complete and attach as many Schedules E as you need to list them. But fill in the "Totals" column on only one Schedule E. The figures in the "Totals" column on that Schedule E should be the combined totals of all your Schedule E's. If you are also using page 2 of Schedule E, use the same Schedule E on which you entered the combined totals for Part 1.

Personal property. Do not use Schedule E to report income and expenses from the rental of personal property, such as equipment or vehicles. Instead, use Schedule C or C-EZ if you are in the business of renting personal property. You are in the business of renting personal property if the primary purpose for renting the property is income or profit and you are involved in the rental activity with continuity and regularity.

If your rental of personal property is not a business, see the instructions for Form 1040, lines 21 and 36, to find out how to report the income and expenses.

Extraterritorial income exclusion. Except as otherwise provided in the Internal Revenue Code, gross income includes all income from whatever source derived. Gross income, however, does not include 80% of extraterritorial income that is qualifying foreign trade income. Use Form 8873 to figure the extraterritorial income exclusion. Report it on Schedule E as explained in the instructions for Form 8873.

Line 1

For rental real estate property only, show all of the following:

- The kind of property you rented (for example, townhouse).
- The street address, city or town, and state. You do not have to give the ZIP code.
- Your percentage of ownership in the property, if less than 100%.

Line 2

If you rented out a dwelling unit that you also used for personal purposes during the year, you may not be able to deduct all the expenses for the rental part. "Dwelling unit" means a house, apartment, condominium, or similar property.

A day of personal use is any day, or part of a day, that the unit was used by:

- You for personal purposes.
- Any other person for personal purposes, if that person owns part of the unit

(unless rented to that person under a "shared equity" financing agreement).

- Anyone in your family (or in the family of someone else who owns part of the unit), unless the unit is rented as a fair rental price to that person as his or her main home.

- Anyone who pays less than a fair rental price for the unit, or
- Anyone under an agreement that lets you use some other unit.

Do not count as personal use:

- Any day you spent working substantially full time repairing and maintaining the unit, even if family members used it for recreational purposes on that day, or
- Any days you used the unit as your main home before or after renting it or offering it for rent, if you rented or tried to rent it for at least 12 consecutive months (or for a period of less than 12 consecutive months at the end of which you sold or exchanged it).

Check "Yes" if you or your family used the unit for personal purposes in 2005 more than the greater of:

1. 14 days, or
2. 10% of the total days it was rented to others at a fair rental price.

Otherwise, check "No."

If you checked "No," you can deduct all your expenses for the rental part, subject to the *At-Risk Rules* and the *Passive Activity Loss Rules* explained beginning on page E-1.

If you checked "Yes" and rented the unit out for fewer than 15 days, do not report the rental income and do not deduct any rental expenses. If you rented deductions on Schedule A, you can deduct allowable interest, taxes, and casualty losses.

If you checked "Yes" and rented the unit out for at least 15 days, you may not be able to deduct all your rental expenses. You can deduct all of the following expenses for the rental part on Schedule E:

- Mortgage interest
- Real estate taxes
- Casualty losses
- Other rental expenses not related to your use of the unit as a home, such as advertising expenses and rental agents' fees.

If any income is left after deducting these expenses, you can deduct other expenses, including depreciation, up to the amount of remaining income. You can carry over to 2006 the amounts you cannot deduct.

See Pub 527 for details.

Line 3

If you received rental income from real estate (including personal property leased with real estate) and you were not in the

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real estate business, report the income on line 3. Use a separate column (A, B, or C) for each rental property. Include income received for renting a room or other space if you received services or property instead of money as rent, report the fair market value of what you received as rental income.

Be sure to enter the total of all your rents in the "Totals" column even if you have only one property.

If you provided significant services to the renter, such as maid services, report the rental activity on Schedule C or C-EZ, not on Schedule E. Significant services do not include the furnishing of heat and light, cleaning of public areas, trash collection, or similar services.

If you were in the real estate sales business, include on line 3 only the rent received from real estate (including personal property leased with real estate) you held for investment or speculation. Do not use Schedule C or C-EZ for these rentals.

Schedule E to report income and expenses from rentals of real estate held for sale to customers in the ordinary course of your real estate sales business. Instead, use Schedule C or C-EZ for these rentals.

For more details on rental income use TaxForm 114 (see page 8 of the Form 1040 instructions) or see Pub 527.

Rental income from farm production or crop shares. Report farm rental income and expenses on Form 4835 if:

- You received rental income based on crops or livestock produced by the tenant, and
- You did not manage or operate the farm to any great extent.

Line 4

Report on line 4 royalties from oil, gas, or mineral properties (not including operating interests), copyrights, and patents. Use a separate column (A, B, or C) for each royalty property. Be sure to enter the total of all your royalties in the "Totals" column even if you have only one source of royalties.

If you received \$10 or more in royalties during 2005, the payer should send you a Form 1099-MISC or similar statement by January 31, 2006, showing the amount you received.

If you are in business as a self-employed writer, inventor, artist, etc., report your royalty income and expenses on Schedule C or C-EZ.

You may be able to treat amounts received as "royalties" for the transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset. For details, see Pub 544.

Enter on line 4 the gross amount of royalty income, even if state or local taxes were withheld from oil or gas payments.

you received. Include taxes withheld by the producer on line 1c.

General Instructions for Lines 5 Through 21

Enter your rental and royalty expenses for each property in the appropriate column. You can deduct all ordinary and necessary expenses, such as taxes, interest, repairs, insurance, management fees, agents' commissions, and depreciation.

Do not deduct the value of your own labor or amounts paid for capital investments or capital improvements.

Enter your total expenses for mortgage interest (line 12), total expenses before depreciation expense or depletion (line 19), and depreciation expenses or depletion (line 20) in the "Totals" column even if you have only one property.

Renting out part of your home. If you rent out only part of your home or other property, deduct the part of your expenses that applies to the rented part.

Credit or deduction for access expenditures. You may be able to claim a tax credit for eligible expenditures paid or incurred in 2005 to provide access to your business for individuals with disabilities. See Form 8826 for details.

You can also deduct up to \$15,000 of qualified costs paid or incurred in 2005 to remove architectural or transportation barriers to individuals with disabilities and the elderly.

You cannot take both the credit and the deduction for the same expenditures.

Line 6

You can deduct ordinary and necessary auto and travel expenses related to your rental activities, including 50% of meal expenses incurred while traveling away from home. You generally can either deduct your actual expenses or take the standard mileage rate. You must use actual expenses if you used more than four vehicles simultaneously in your rental activities (as in fleet operations). You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

You can use the standard mileage rate for 2005 only if:

- You owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or
- You leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

If you deduct actual auto expenses:

- Include on line 6 the rental activity portion of the cost of gasoline, oil, repairs, insurance, tires, etc., and

1098 from the recipient, report your deductible mortgage interest on line 13.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage, and the other person received Form 1098, report your share of the deductible interest on line 13. Attach a statement to your return showing the name and address of the person who received Form 1098. On the dotted line next to line 13, enter "See attached."

Line 14

You can deduct the cost of repairs made to keep your property in good working condition. Repairs generally do not add significant value to the property or extend its life. Examples of repairs are fixing a broken lock or painting a room. Improvements that increase the value of the property or extend its life, such as replacing a roof or renovating a kitchen, must be capitalized and depreciated (that is, they cannot be deducted in full in the year they are paid or incurred). See the instructions for line 20.

Line 17

You can deduct the cost of ordinary and necessary telephone calls related to your rental activities or royalty income (for example, calls to the renter). However, the base rate (including taxes and other charges) for local telephone service for the first telephone line into your residence is a personal expense and is not deductible.

Line 20

Depreciation is the annual deduction you must take to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. Land is not depreciable.

Depreciation starts when you first use the property in your business or for the production of income. It ends when you deduct all your depreciable cost or other basis or no longer use the property in your business or for the production of income.

See the instructions for Form 4562 to figure the amount of depreciation to enter on line 20. Be sure to enter the total of all your depreciation in the "Totals" column even if you have only one property.

You must complete and attach Form 4562 only if you are claiming:

- Depreciation on property first placed in service during 2005,

- Depreciation on listed property (defined in the instructions for Form 4562), including a vehicle, regardless of the date it was placed in service, or

- A section 179 expense deduction or amortization of costs that began in 2005.

See Pub. 527 for more information on depreciation of residential rental property.

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See Pub. 946 for a more comprehensive guide to depreciation.

If you own mineral property or an oil, gas, or geothermal well, you may be able to take a deduction for depletion. See Pub. 535 for details.

Line 22

If you have amounts for which you are not at risk, use Form 6198 to determine the amount of your deductible loss. Enter that amount in the appropriate column of Schedule E, line 22. In the space to the left of line 22, enter "Form 6198." Attach Form 6198 to your return. For details on the at-risk rules, see page E-1.

Line 23

Do not complete line 23 if the amount on line 22 is from royalty properties.

If you have a rental real estate loss from a passive activity (defined on page E-1), the amount of loss you can deduct may be limited by the passive activity loss rules. You may need to complete Form 8582 to figure the amount of loss, if any, to enter on line 23.

If your rental real estate loss is not from a passive activity or you meet the exception for certain rental real estate activities explained on page E-2, you do not have to complete Form 8582. Enter the loss from line 22 on line 23.

Parts II and III

If you need more space in Part II or III to list your income or losses, attach a continuation sheet using the same format as shown in Part II or III. However, be sure to complete the "Totals" columns for lines 29a and 29b, or lines 34a and 34b, as appropriate. If you also completed Part I on more than one Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

Tax preference items. If you are a partner, a shareholder in an S corporation, or a beneficiary of an estate or trust, you must take into account your share of preferences and adjustments from these entities for the alternative minimum tax on Form 6251 or Schedule I of Form 1041.

Part II

Income or Loss From Partnerships and S Corporations

If you are a member of a partnership or joint venture or a shareholder in an S corporation, use Part II to report your share of the partnership or S corporation income (even if not received) or loss.

You should receive a Schedule K-1 from the partnership or S corporation. You should also receive a copy of the Partner's or Shareholder's Instructions for Schedule K-1. Your copy of Schedule K-1 and its instructions will tell you where on your return to report your share of the items. If you did not receive these instructions with your Schedule K-1, see page 7 of the Form 1040 instructions for how to get a copy. Do not attach Schedules K-1 to your return. Keep them for your records.

If you are treating items on your tax return differently from the way the partnership (other than an electing large partnership) or S corporation reported them on its return, you may have to file Form 8082. If you are a partner in an electing large partnership, you must report the items shown on Schedule K-1 (Form 1065-B) on your tax return the same way that the partnership reported the items on Schedule K-1.

Special rules that limit losses. Please note the following:

- If you have a current year loss, or a prior year unallowed loss, from a partnership or an S corporation, see *At-Risk Rules and Passive Activity Loss Rules* on page E-1.

Partners and S corporation shareholders should get a separate statement of income, expenses, deductions, and credits for each activity engaged in by the partnership and S corporation. If you are subject to the at-risk rules for any activity, use Form 6198 to figure the amount of any deductible loss. If the activity is nonpassive, enter any deductible loss from Form 6198 on the appropriate line in Part II, column (b), of Schedule E.

- If you have a passive activity loss, you generally need to complete Form 8582 to figure the amount of the allowable loss to enter in Part II, column (f), for that activity. But if you are a general partner or an S corporation shareholder reporting your share of a partnership or an S corporation loss from a rental real estate activity and you meet all three of the conditions listed on page E-2 under *Exception for Certain Rental Real Estate Activities*, you do not have to complete Form 8582. Instead, enter your allowable loss in Part II, column (f).

If you have passive activity income, complete Part II, column (g), for that activity.

If you have nonpassive income or losses, complete Part II, columns (h) through (j), as appropriate.

Partnerships

See the Schedule K-1 instructions before entering on your return other partnership items from a passive activity or income or loss from any publicly traded partnership.

You can deduct unreimbursed ordinary and necessary expenses you paid on behalf of the partnership if you were required to

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pay these expenses under the partnership agreement. See the instructions for line 25 on page E-6 for how to report these expenses.

Report allowable interest expenses paid or incurred from debt-financed acquisitions in Part II of your Schedule A depending on the type of expenditure to which the interest is allocated. See Pub. 535 for details.

If you claimed a credit for federal tax on gasoline or other fuels on your 2004 Form 1040 based on information received from the partnership, enter as income in column (g) or column (j), whichever applies, the amount of the credit claimed for 2004.

Part or all of your share of partnership income or loss from the operation of the business may be considered net earnings from self-employment that must be reported on Schedule SE. Enter the amount from Schedule K-1 (Form 1065), box 14, code A (or from Schedule K-1 (Form 1065-B), box 9 (code K-1)), on Schedule SE, after you reduce this amount by any allowable expenses attributable to that income.

Foreign partnerships. If you are a U.S. person, you may have to file Form 8865 if any of the following applies:

1. You controlled a foreign partnership (that is, you owned more than a 50% direct or indirect interest in the partnership).
2. You owned at least a 10% direct or indirect interest in a foreign partnership while U.S. persons controlled that partnership.
3. You had an acquisition, disposition, or change in proportional interest of a foreign partnership that

- a. Increased your direct interest to at least 10% or reduced your direct interest of at least 10% to less than 10%, or
- b. Changed your direct interest by at least a 10% interest.

4. You contributed property to a foreign partnership in exchange for a partnership interest if:

- a. Immediately after the contribution, you owned, directly or indirectly, at least a 10% interest in the partnership, or
- b. The fair market value of the property you contributed to the partnership in exchange for a partnership interest, when added to other contributions of property you made to the partnership during the preceding 12-month period, exceeds \$100,000.

Also, you may have to file Form 8865 to report certain dispositions by a foreign partnership of property you previously contributed to that partnership if you were a partner at the time of the disposition.

For more details, including penalties for failing to file Form 8865, see Form 8865 and its separate instructions.

circumstances. The estimated burden for individual taxpayers filing this form is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is approved under OMB control number 1545-1972 and is shown below.

Recordkeeping 3 hr
Learning about the law or the form 1 hr, 13 min
Preparing the form 1 hr, 27 min
Copying, assembling, and sending the form to the IRS 34 min

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

1. Your gross farming or fishing income for 2004 or 2005 is at least two-thirds of your gross income, and
2. You file your 2005 tax return and pay the tax due by March 1, 2006.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual

If the amount in column (c) is larger than your taxable income would otherwise be, enter the amount from column (c) on Form 1040, line 43. Similarly, if the amount in column (c) is larger than your AMTI would otherwise be, enter the amount from column (c) on Form 6251, line 28. Enter "Sch. Q" on the dotted line to the left of this amount on Form 1040, line 43, and Form 6251, line 28, if applicable.

Note. These rules also apply to estates and trusts that hold a residual interest in a REMIC. Be sure to make the appropriate entries on the comparable lines on Form 1041.



Do not include the amount shown in column (c) in the total on Schedule E, line 29.

Column (c). Report the total of the amounts shown on Schedules Q, line 3b. If you itemize your deductions, include this amount on Schedule A, line 22.

Part V Summary Line 42

You will not be charged a penalty for underpayment of estimated tax if

If you are treating items on your tax return differently from the way the estate or trust reported them on its return, you may have to file Form 8082.

If you have estimated taxes credited to you from a U.S. beneficiary (see section 679, An individual who received a distribution from, or who was the grantor of, or transferor to, a foreign trust must also complete Part III of Schedule B (Form 1040) and may have to file Form 3520 in addition, the owner of a foreign trust must ensure that the trust files an annual information return on Form 3520-A.

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)

If you are the holder of a residual interest in a REMIC, use Part IV to report your total share of the REMIC's taxable income or loss for each quarter included in your tax year. You should receive Schedule Q (Form 1066) and instructions from the REMIC for each quarter. Do not attach Schedules Q to your return. Keep them for your records.

If you are treating REMIC items on your tax return differently from the way the REMIC reported them on its return, you may have to file Form 8082.

If you are the holder of a residual interest in more than one REMIC, attach a continuation sheet using the same format as in Part IV. Enter the totals of columns (d) and (e) on Schedule E, line 39. If you also completed Part I on more than one Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

REMIC income or loss is not income or loss from a passive activity.

Note. If you are the holder of a regular interest in a REMIC, do not use Schedule E to report the income you received. Instead, report it on Form 1040, line 8a.

Column (c). Report the total of the amounts shown on Schedule(s) Q, line 2c. This is the smallest amount you are allowed to report as your taxable income (Form 1040, line 43). It is also the smallest amount you are allowed to report as your alternative minimum taxable income (AMTI) (Form 6251, line 28).

or net them against, any current year amounts from the partnership or S corporation.

- Enter "PYA" (prior year amount) in column (a) of the same line.

Unreimbursed Partnership Expenses

You can deduct unreimbursed ordinary and necessary partnership expenses you paid on behalf of the partnership on Schedule E if you were required to pay these expenses under the partnership agreement (except amounts deductible only as itemized deductions, which you must enter on Schedule A).

- Enter unreimbursed partnership expenses from nonpassive activities on a separate line in column (h) of line 28. Do not combine these expenses with, or net them against, any other amounts from the partnership.

- If the expenses are from a passive activity and you are not required to file Form 8582, enter the expenses related to a passive activity on a separate line in column (f) of line 28. Do not combine these expenses with, or net them against, any other amounts from the partnership.
- Enter "UPP" (unreimbursed partnership expenses) in column (a) of the same line.

Line 28

For nonpassive income or loss (and passive income or losses for which you are not filing Form 8582), enter in the applicable column of line 28 your current year ordinary income or loss from the partnership or S corporation. Report each related item required to be reported on Schedule E (including items of income or loss stated separately on Schedule K-1) in the applicable column of a separate line following the line on which you reported the current year ordinary income or loss. Also enter a description of the related item (for example, depletion) in column (a) of the same line.

If you are required to file Form 8582, see the instructions for Form 8582 before completing Schedule E.

Part III Income or Loss From Estates and Trusts

If you are a beneficiary of an estate or trust, use Part III to report your part of the income (even if not received) or loss. You should receive a Schedule K-1 (Form 1041) from the fiduciary. Your copy of Schedule K-1 and its instructions will tell you where on your return to report the items from Schedule K-1. Do not attach Schedule K-1 to your return. Keep it for your records.

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S Corporations

If you are a shareholder in an S corporation, your share of the corporation's aggregate losses and deductions (combined income, losses, and deductions) is limited to the adjusted basis of your corporate stock and any debt the corporation owes you. Any loss or deduction not allowed this year because of the basis limitation can be carried forward and deducted in a later year subject to the basis limitation for that year.

If you are claiming a deduction for your share of an aggregate loss, attach to your return a computation of the adjusted basis of your corporate stock and of any debt the corporation owes you. See the Schedule K-1 instructions for details.

After applying the basis limitation, the deductible amount of your aggregate losses and deductions may be further reduced by the at-risk rules and the passive activity loss rules. See page E-1.

Distributions of prior year accumulated earnings and profits of S corporations are dividends and are reported on Form 1040, line 9a.

Interest expense relating to the acquisition of shares in an S corporation may be fully deductible on Schedule E. For details, see Pub. 535.

Your share of the net income of an S corporation is not subject to self-employment tax.

Line 27

If you answered "Yes" on line 27, follow the instructions below. If you fail to follow these instructions, the IRS may send you a notice of additional tax due because the amounts reported by the partnership or S corporation on Schedule K-1 do not match the amounts you reported on your tax return.

Losses Not Allowed in Prior Years Due to the At-Risk or Basis Limitations

- Enter your total prior year unallowed losses that are now deductible on a separate line in column (b) of line 28. Do not combine these losses with, or net them against, any current year amounts from the partnership or S corporation.
- Enter "PYA" (prior year amount) in column (a) of the same line.

Prior Year Unallowed Losses From a Passive Activity Not Reported on Form 8582

- Enter on a separate line in column (f) of line 28 your total prior year unallowed losses not reported on Form 8582. Such losses include prior year unallowed losses that are now deductible because you did not have an overall loss from all passive activities or you disposed of your entire interest in a passive activity in a fully taxable transaction. Do not combine these losses with,

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2005 Instructions for Schedule F

Profit or Loss From Farming

Use Schedule F (Form 1040) to report farm income and expenses. File it with Form 1040, 1041, 1065, or 1065-B.

This activity may subject you to state and local taxes and other requirements such as business licenses and fees. Check with your state and local governments for more information.

Additional information. Pub. 225 has samples of filled-in forms and schedules, and lists important dates that apply to farmers.

Section references are to the Internal Revenue Code unless otherwise noted.

- Form 4853 to report rental income based on farm production or crop shares if you did not materially participate in the management or operation of the farm. This income is not subject to self-employment tax. See Pub. 225.
- Form 8824 to report like-kind exchanges.
- Form 9903 to take a deduction for income from domestic production activities.

Heavy highways vehicle use tax. If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your farming business, you may have to pay a federal highway motor vehicle use tax. See the instructions for Form 2290 to find out if you owe this tax.

Information returns. You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, annuities, and pensions. You may also have to file an information return if you sold \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other similar basis for resale. For details, see the 2005 General Instructions for Forms 1099, 1098, 5198, and W-2G.

If you received cash of more than \$10,000 in one or more related transactions in your farming business, you may have to file Form 8300. For details, see Pub. 1544.

Reportable transaction disclosure statement. If you entered into a reportable transaction in 2005, you must file Form 8886 to disclose information if your federal income tax liability is affected by your participation in the transaction. You may have to pay a penalty if you are required to file Form 8886 but do not do so. You may also have to pay interest and penalties on any reportable transaction understatements. For more information on reportable transactions, see *Reportable Transaction Disclosure Statement* that begins on page C-1 of the Instructions for Schedule C.

Estimated Tax

If you had to make estimated tax payments in 2005 and you underpaid your estimated tax, you will not be charged a penalty if both of the following apply:

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Cat. No. 17152R

What's New

Employer retention credit for employers affected by Hurricane Katrina. If you had employees in the Hurricane Katrina disaster area, you may be eligible for a credit against the wages you paid them while your business was inoperable. For more information, see Form 5884-A.

Biodegradable and renewable diesel fuels credit. If you claimed the biodegradable and renewable diesel fuels credit on Form 8864, you must include the credit in your income on line 10 of the cash method or line 14 if you use the accrual method. See the instructions for line 10 on page F-3.

General Instructions

Other Schedules and Forms You May Have To File

- Schedule E, Part 1, to report rental income from partnership that is based on a flat charge. Report on Schedule F, line 10.
- Schedule J to figure your tax by averaging your farm income over the previous 3 years. Doing so may reduce your tax.
- Schedule SE to pay self-employment tax on income from your farming business.

- Form 4562 to claim depreciation on assets placed in service in 2005, to claim amortization that began in 2005, to make an election under section 179 to expense certain property, or to report information on vehicles and other listed property.
- Form 4684 to report a casualty or theft gain or loss involving farm business property including livestock held for draft, breeding, sport, or dairy purposes.

See Pub. 225 for more information on how to report various farm losses, such as losses due to death of livestock or damage to crops or other farm property.

- Form 4797 to report sales, exchanges, or involuntary conversions (other than from a casualty or theft) of certain farm property. Also use this form to report sales of livestock held for draft, breeding, sport, or dairy purposes.

Part I. Farm Income—Cash Method

In Part I, show income received for items listed on lines 1 through 10. Generally, include both the cash actually or constructively received and the fair market value of the goods or other property received for these items. Income is constructively received when it is credited to your account or set aside for you to use. However, direct payments or counter-cyclical payments received under the Farm Security and Rural Investment Act of 2002 are required to be included in income only in the year of actual receipt.

If you ran the farm yourself and received rents based on crop shares or farm production, report these rents as income on line 4.

Sales of Livestock Because of Weather-Related Conditions

If you sold livestock because of drought, flood, or other weather-related conditions, you can elect to report the income from the sale in the year after the year of sale if all of the following apply:

- Your main business is farming.
- You can show that you sold the livestock only because of weather-related conditions.
- Your area qualified for federal aid. See Pub. 225 for details.

Forms 1099 or CCC-1099-G

If you received Forms 1099 or CCC-1099-G showing amounts paid to you, first determine if the amounts are to be included with farm income. Then, use the following chart to determine where to report the income on Schedule F. Include the Form 1099 or CCC-1099-G amounts in the total amount reported on that line.

Form	Where to report
1099-PATR	Line 5a
1099-A	Line 7b
1099-MISC	Line 8a
(for crop insurance)	Line 8a
1099-G or CCC-1099-G	Line 8a
(for disaster payments)	Line 8a
(for other agricultural program payments)	Line 6a

You may also receive Form 1099-MISC for other types of income. In this case, report it on whichever line best describes the income. For example, if you received a Form 1099-MISC for custom farming work, include this amount on line 9. "Custom hire (machine work)" income.

Lines 5a and 5b

If you received distributions from a cooperative in 2005, you should receive Form 1099-PATR. On line 5a, show your total distributions from cooperatives. This includes patronage dividends, nonpatronage distributions, per-unit retain allocations, and redemption of nonqualified notes and per-unit retain allocations.

Show patronage dividends received in cash and the dollar amount of qualified written notices of allocation. If you received property as patronage dividends, report the fair market value of the property as income. Include cash advances received from a marketing cooperative. If you received per-unit retains in cash, show the amount of cash. If you received qualified per-unit retain certificates, show the stated dollar amount of the certificates.

Do not include as income on line 5b patronage dividends from buying personal or family items, capital assets, or depreciable assets. Enter these amounts on line 5a only. If you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items.

Lines 6a and 6b

Enter on line 6a the total of the following amounts:

- Direct payments
- Counter-cyclical payments
- Price support payments
- Market gain from the repayment of a secured Commodity Credit Corporation (CCC) loan for less than the original loan amount
- Diversion payments
- Cost-share payments (sight drafts)
- Payments in the form of materials (such as fertilizer or lime) or services (such as grading or building dams)

These amounts are government payments you received, usually reported to you on Form 1099-G. You may also receive Form CCC-1099-G from the Department of Agriculture showing the amounts and types of payments made to you.

On line 6b, report only the taxable amount. For example, do not report the market gain shown on Form CCC-1099-G on line 6b if you elected to report CCC loan proceeds as income in the year received (see Lines 7a Through 7c on page F-3). No gain results from redemption of the commodity because you previously reported the CCC loan proceeds as income. You are treated as repurchasing the commodity for the amount of the loan repayment. However, if you did not report the CCC loan proceeds under the election, you must report the market gain on line 6b.

land, livestock you bought or raised for resale, or other property in your inventory.

You can also elect under section 179 to expense a portion of the cost of certain property you bought in 2005 for use in your farming business.

For details, including when you must complete and attach Form 1662, see the instructions for Schedule C, line 13, on page C-4.

Line 17

Deduct contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 25. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs. If you made contributions on your behalf as a self-employed person to a dependent care assistance program, complete Form 2441, Parts I and III, to figure your deductible contributions to that program.

Do not include on line 17 any contributions you made on your behalf as a self-employed person to an accident and health plan or for group-term life insurance. You may be able to deduct on Form 1041, line 29, the amount you paid for health insurance on behalf of yourself, your spouse, and dependents even if you do not itemize your deductions. See the instructions for Form 1041, line 29, for details.

Line 18

If you use the cash method, you cannot deduct when paid the cost of feed your livestock will consume in a later year unless all of the following apply:

- The payment was for the purchase of feed rather than a deposit.
- The prepayment had a business purpose and was not made merely to avoid tax.
- Deducting the prepayment will not materially distort your income.

If all of the above apply, you can deduct the prepaid feed, which is subject to the overall limit for *Prepaid farm supplies* explained on this page. If all of the above do not apply, you can deduct the prepaid feed only in the year it is consumed.

Line 20

Do not include the cost of transportation incurred in purchasing livestock held for resale as freight paid. Instead, add these costs to the cost of the livestock and deduct them when the livestock is sold.

Line 22

Deduct on this line premiums paid for farm business insurance. Deduct on line 17 amounts paid for employee accident and health insurance. Amounts credited to a reserve for self-insurance or premiums paid for a policy that pays for your lost earnings

If you take the standard mileage rate, multiply the number of business miles driven by 40.5 cents (48.5 cents for business miles driven after August 31, 2005). Add to this amount your parking fees and tolls, and enter the total on line 12. Do not deduct depreciation, rent, or lease payments, or your actual operating expenses.

If you claim any car or truck expenses (actual or the standard mileage rate), you must provide the information requested on line 4562, Part V. Be sure to attach Form 4562 to your return.

For details, see Pub 463.

Line 14

Deductible soil and water conservation expenses generally are those that are paid to conserve soil and water or to prevent erosion of land used for farming. These expenses include but are not limited to the cost of leveling, grading and terracing, contour farming, the construction, control, and protection of diversion channels, drainage ditches, earthen dams, watercourses, outlets and ponds, the eradication of brush, and the planting of windbreaks.

These expenses can be deducted only if they are consistent with a conservation plan approved by the Natural Resources Conservation Service of the Department of Agriculture for the area in which your land is located. If no plan exists, the expenses must be consistent with a plan of a comparable state agency. You cannot deduct the expenses if they were paid or incurred for land used in farming in a foreign country.

Do not deduct expenses you paid or incurred to drain or fill wetlands, to prepare land for center pivot irrigation systems, or to clear land.

Your deduction cannot exceed 2% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, the excess can be carried forward and deducted in later tax years. However, the amount deductible for any 1 year cannot exceed the 2% gross income limit for that year.

For details, see Pub 225.

Line 15

Enter amounts paid for custom hire or machine work (the machine operator furnished the equipment).

Do not include amounts paid for rental or lease of equipment that you reported yourself. Instead, report these amounts on line 26a.

Line 16

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature.

Do not deduct depreciation on your home, furniture or other personal items.

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the accrual method of accounting under section 447 or 448.

If you make the election to deduct preproductive expenses for plants, any gain you realize when disposing of the plants is ordinary income up to the amount of the preproductive expenses you deducted. Also, the alternative depreciation rules apply to property placed in service in any tax year your election is in effect. Unless you obtain IRS consent, you must make this election for the first tax year in which you engage in a farming business involving the production of property subject to the capitalization rules. You cannot revoke this election without IRS consent.

For details, see Pub 225.

Prepaid farm supplies. Generally, if you use the cash method of accounting, and you prepaid farm supplies are more than 50% of your other deductible farm expenses, your deduction for those supplies may be limited. Prepaid farm supplies include expenses for feed, seed, fertilizer, and similar farm supplies not used or consumed during the year. They also include the cost of poultry that would be allowable as a deduction in a later tax year if you were to raise capital. Your farming business and deduct it ratably over the lesser of 12 months or the useful life of the poultry, and (b) deduct the cost of poultry bought for resale in the year you sell or otherwise dispose of it.

If the limit applies, you can deduct prepaid farm supplies that do not exceed 50% of your other deductible farm expenses in the year of payment. You can deduct the excess only in the year you use or consume the supplies (other than poultry, which is deductible as explained above). For details and exceptions to these rules, see Pub 225.

Line 12

You can deduct the actual expenses of running your car or truck or take the standard mileage rate. You must use actual expenses if you used your vehicle for hire or you used more than four vehicles simultaneously in your farming business (such as in fleet operations). You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

You can take the standard mileage rate for 2005 only if you:

- Owned the vehicle and use the standard mileage rate for the first year you placed the vehicle in service; or
- Leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

If you deduct actual expenses:

- Include on line 12 the business portion of expenses for gasoline, oil, repairs, insurance, tires, license plates, etc., and
- Show depreciation on line 16 and rent or lease payments on line 26a.

• Personal losses.

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the amount you deducted.

Capitalizing costs of property. If you produced real or tangible personal property or acquired property for resale, certain expenses must be included in inventory costs or capitalized. These expenses include the direct costs of the property and the share of any indirect costs allocable to that property. However, these rules generally do not apply to expenses of:

1. Producing any plant that has a preproductive period of 2 years or less;
2. Raising animals; or
3. Replanting certain crops if they were lost or damaged by reason of freezing temperatures, disease, drought, pests, or casualty.



Exceptions 1 and 2 above do not apply to tax shelters, farming syndicates, or partnerships required to use the accrual method of accounting under section 447 or 448.

But you may be able to currently deduct rather than capitalize the expenses of producing a plant with a preproductive period of more than 2 years. See *Election to deduct certain preproductive period expenses* below.

Do not reduce your deductions on lines 12 through 34c by the preproductive period expenses you must capitalize. Instead, enter the total amount capitalized in parentheses on line 34f. See *Preproductive period expenses* on page F-6 for details.

If you revoked an election made before 1989 to deduct preproductive period expenses for animals, you must continue to apply the alternative depreciation rules to property placed in service while your election was in effect. Also, the expenses you previously chose to deduct will have to be recaptured as ordinary income when you dispose of the animals.

Election to deduct certain preproductive period expenses. If the preproductive period of any plant you produce is more than 2 years, you can elect to currently deduct the expenses rather than capitalize them. But you cannot make this election for the costs of planting or growing citrus or almond groves that are incurred before the end of the 4th tax year beginning with the year you planted them in their permanent grove. By deducting the preproductive period expenses for which you can make this election, you are treated as having made the election.



In the case of a partnership or S corporation, the election must be made by the partner or shareholder. This election cannot be made by tax shelters, farming syndicates, or partners in partnerships required to use

tion, or credit union canceled or forgave a debt you owed of \$600 or more, it should send you a Form 1099-C, or similar statement, by January 31, 2006, showing the amount of debt canceled in 2005. However, certain solvent farmers can exclude canceled qualified farm indebtedness from income. To find out if you must include any cancellation of debt in income, see Pub 225.

- State gasoline or fuel tax refund you received in 2005.
- The amount of credit for federal tax paid on fuels claimed on your 2004 Form 1040.
- The amount of credit for alcohol used as fuel that was claimed on Form 6478.
- The amount of book-keep and renewal fees claimed that was claimed on Form 8864.

Any recapture of excess depreciation, including any section 179 expense deduction, if the business use percentage of any listed property decreased to 50% or less in 2005. Use Form 4797 to figure the recapture. See the instructions for Schedule C, line 13, on page C-4 for the definition of listed property.

- The inclusion amount on leased listed property (other than vehicles) when the business use percentage drops to 50% or less. See Pub 946 to figure the amount.
- Any recapture of the deduction for clean-fuel vehicles used in your farming business and clean-fuel vehicle rehiring property. For details on how to figure recapture, see Pub 535.

The gain or loss on the sale of commodity futures contracts if the contracts were made to protect you from price changes. These are a form of business insurance and are considered hedges. If you had a loss in a closed futures contract, enter it in parentheses.



For property acquired and hedging positions established. You must clearly identify on your books and records both the hedging transaction and the item(s) or aggregate risk that is being hedged.

Purchase or sales contracts are not true hedges if they offset losses that already occurred. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, report the profit or loss on Form 6781 instead of this line.

Part II. Farm Expenses

Do not deduct the following:

- Personal or living expenses (such as taxes, insurance, or repairs on your home) that do not produce farm income.
- Expenses of raising anything you or your family used.
- The value of animals you raised that died.
- Inventory losses.

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Lines 7a Through 7c

Commodity Credit Corporation (CCC) loans. Generally, you do not report CCC loan proceeds as income. However, if you pledge part or all of your production to secure a CCC loan, you can elect to report the loan proceeds as income in the year you receive them, instead of the year you sell the crop. If you make this election for more than one year, you must report the loan proceeds in a prior year's return. Attach a statement to your return showing the details of the loan(s).

Forfeited CCC loans. Include the full amount forfeited on line 7b, even if you reported the loan proceeds as income.

If you did not elect to report the loan proceeds as income, also include the forfeited amount on line 7c.

If you did elect to report the loan proceeds as income, you generally will not have an entry on line 7c. But if the amount forfeited is different from your basis in the commodity, you may have an entry on line 7c.

See Pub 225 for details on the tax consequences of electing to report CCC loan proceeds as income or forfeiting CCC loans.

Lines 8a Through 8d

In general, you must report crop insurance proceeds in the year you receive them. Federal crop disaster payments are treated as crop insurance proceeds. However, if 2005 was the year of damage, you can elect to include certain proceeds in income for 2006. To make this election, check the box on line 8a and attach a statement to your return. See Pub 225 for a description of the proceeds for which an election can be made and for what you must include in your statement.

Generally, if you elect to defer any eligible crop insurance proceeds, you must defer all such crop insurance proceeds (including federal crop disaster payments).

Enter on line 8a the total crop insurance proceeds you received in 2005, even if you elect to include them in income for 2006. Enter on line 8b the taxable amount of the proceeds you received in 2005. Do not include proceeds you elect to include in income for 2006.

Enter on line 8d the amount, if any, of crop insurance proceeds you received in 2004 and elected to include in income for 2005.

Line 10

Use this line to report income not shown on lines 1 through 9, such as the following:

- Bartering income.
- Income from cancellation of debt. Generally, if a debt is canceled or forgiven, you must include the canceled amount in income. If a federal agency, financial institution,

Pub 225.

from the farm. Include only what you paid household help to care for farm laborers.



If you provided taxable fringe benefits to your employees, such as personal use of a car, do not include in farm labor the amounts you depreciated or deducted elsewhere.

Lines 23a and 23b

Interest allocation rules. The tax treatment of interest expense differs depending on its type. For example, home mortgage interest and investment interest are treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted on the correct line of your return and receives the right tax treatment. These rules could affect how much interest you are allowed to deduct on Schedule F.

Generally, you allocate interest expense by tracing how the proceeds of the loan are used. See Pub 535 for details.

If you paid interest on a debt secured by your main home and any of the proceeds from that debt were used in your farming business, see Pub 535 to figure the amount to include on lines 23a and 23b.

How to report. If you have a mortgage on real property used in your farming business (other than your main home), enter on line 23a the interest you paid for 2005 to banks or other financial institutions for which you received a Form 1098 (or similar statement) if you did not receive a Form 1098, enter the interest on line 23b.

If you paid more mortgage interest than is shown on Form 1098, see Pub 535 to find out if you can deduct the additional interest. If you can, include the amount on line 23a. Attach a statement to your return explaining the difference and enter "See attached" in the margin next to line 23a.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098, include your share of the interest on line 23b. Attach a statement to your return showing the name and address of the person who received the Form 1098 in the margin next to line 23b, enter "See attached."

Do not deduct interest you prepaid in 2005 for later years, include only the part that applies to 2005.

Line 24

Enter the amounts you paid for farm labor. Do not include amounts paid to yourself. Reduce your deduction by the amounts claimed on:

- Form 5884, Work Opportunity Credit, line 2.
 - Form 5884-A, Hurricane Katrina Employee Retention Credit, line 2.
 - Form 5814, Empowerment Zone and Renewal Community Employment Credit, line 2.
 - Form 8845, Indian Employment Credit, line 4, and
 - Form 8861, Welfare-to-Work Credit, line 2.
- Include the cost of boarding farm labor but not the value of any products they used.

Do not deduct the following taxes on this line:

- Federal income taxes, including your self-employment tax. However, you can deduct one-half of your self-employment tax on Form 1040, line 27.
- Estate and gift taxes
- Taxes assessed for improvements, such as paving and sewers
- Taxes on your home or personal use property
- State and local sales taxes on property purchased for use in your farming business. Instead, treat these taxes as part of the cost of the property.
- Other taxes not related to your farming business.

Line 32

Enter amounts you paid for gas, electricity, water, etc. for business use on the farm. Do not include personal utilities. You cannot deduct the base rate (including taxes) of the first telephone line into your residence, even if you use it for your farming business. But you can deduct expenses you paid for your farming business that are more than the cost of the base rate for the first phone line. For example, if you had a second phone line, you can deduct the business percentage of the charges for that line, including the base rate charges.

Lines 34a Through 34f

Include all ordinary and necessary farm expenses not deducted elsewhere on Schedule F, such as advertising, office supplies, etc. Do not include fines or penalties paid to a government for violating any law.

At-risk loss deduction. Any loss from this activity that was not allowed as a deduction last year because of the at-risk rules is treated as a deduction allocable to this activity in 2005.

Bad debts. See Pub 535.

Business start-up costs. If your business began in 2005, you can elect to deduct up to \$5,000 for certain business start-up costs. This limit is reduced by the amount by which your start-up costs exceed \$50,000. You can elect to amortize any remaining qualified business start-up costs over 15 years. For details, see Pub 535. For amortization that begins in 2005, you must complete and attach Form 4562.

Business use of your home. You may be able to deduct certain expenses for business use of your home, subject to limitations. Use the worksheet in Pub 587 to figure your allowable deduction. Do not use Form 8829.

Clean-fuel vehicles and clean-fuel vehicle refueling property. You may be able to deduct part of the cost of qualified clean-fuel vehicle property used in your farming business and qualified clean-fuel vehicle refueling property. See Pub 535.

Forestation and reforestation costs. You can elect to amortize certain forestation and reforestation costs over 84 months. You

can also elect to expense up to \$10,000 (or \$5,000 if married filing separately) of certain (restoration and reforestation costs paid or incurred in 2005, for each qualified timber property. The amortization election does not apply to tracts and the expense election does not apply to estates and trusts. For details, see Pub 225. For amortization that begins in 2005, you must complete and attach Form 4562.

Legal and professional fees. You can deduct on this line fees for tax advice related to your farming business and for the preparation of the tax forms related to your farming business.

Travel, meals, and entertainment. Generally, you can deduct expenses for farming business travel and 50% of your business meals and entertainment. But there are exceptions and limitations. See the instructions for Schedule C, lines 24a and 24b, that began on page C-5.

Preproductive period expenses. If you had preproductive period expenses in 2005 and you decided to capitalize them, you must enter the total of these expenses in parentheses on line 34f and enter "263A" in the space to the left of the total. Subtract the amount on line 34f from the total of lines 12 through 34e. Enter the result on line 35.

For details, see *Capitalizing costs of property* on page F-3 and Pub 225.

Line 36

If you have a loss, the amount of loss you can deduct this year may be limited. Go to line 37 before entering your loss on line 36. If you checked the "No" box on Schedule F, line E, also see the instructions for Form 5882. Enter the net profit or deductible loss here and on Form 1040, line 18, and Schedule SE, line 1. Estates and trusts should enter the net profit or deductible loss here and on Form 1041, line 6. Partnerships should stop here and enter the profit or loss on this line and on Form 1065, line 5 (or Form 1065-B, line 7).

If you have a net profit on line 36, this amount is earned income and may qualify you for the earned income credit if you meet certain conditions. See the instructions for Form 1040, lines 66a and 66b, for details.

Line 37

At-risk rules. Generally, if you have a loss from a farming activity and amounts in the activity for which you are not at risk, you will have to complete Form 6198 to figure your allowable loss. The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can

of accounting, and for rules that require certain costs to be capitalized or included in inventory.

Lines 39a Through 41c

See the instructions for lines 39a through 41c that begin on page F-2.

Line 44

See the instructions for line 10 on page F-3.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

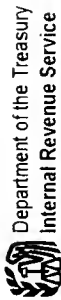
The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is approved under OMB control numbers 1545-1975 and 1545-1976 and is shown below.

Recordkeeping 7 hr., 5 min.
Learning about the law or the form 1 hr., 2 min.
Preparing the form 2 hr., 52 min.
Copying, assembling, and sending the form to the IRS 40 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Part III. Farm Income—Accrual Method

If you use an accrual method, report farm income when you earn it, not when you receive it. Generally, you must include animals and crops in your inventory if you use this method. See Pub. 225 for exceptions, inventory methods, how to change methods



2005 Instructions for Schedule J

Income

Averaging for Farmers and Fishermen

General Instructions

Prior Year Tax Returns

You may need copies of your original or amended income tax returns for 2002, 2003, and 2004 to figure your tax on Schedule J. If you do not have copies of those returns, you can get them by filing Form 1506. There is a \$15 fee for each return requested. If your main home, principal place of business, or tax records are located in a Presidentially declared disaster area, the fee will be waived. If you want a free transcript of your tax return, use Form 4506-T. See your Form 1040 instruction booklet to find out how to get these forms. Keep a copy of your 2005 income tax return for use in 2006, 2007, or 2008.

Definitions

Farming business. A farming business is the trade or business of cultivating land or raising or harvesting any agricultural or horticultural commodity. This includes:

1. Operating a nursery or sod farm,
2. Raising or harvesting of trees bearing fruit, nuts, or other crops,
3. Raising ornamental trees (but not evergreen trees that are more than 6 years old when severed from the roots),
4. Raising, shearing, feeding, caring for, training, and managing animals, and
5. Leasing land to a tenant engaged in a farming business, but only if the lease payments are (a) based on a share of the tenant's production (not a fixed amount), and (b) determined under a written agreement entered into before the tenant begins significant activities on the land.

Line 2

Elected Farm Income

To figure elected farm income, first figure your taxable income from farming or fishing. This includes all income, gains, losses, and deductions attributable to any farming or fishing business. However, it does not include gain from the sale or other disposition of land.

Your elected farm income is the amount of your taxable income from farming or fishing that you elect to include on line 2. You do not have to include all of your taxable income from farming or fishing on line

Use Schedule J (Form 1040) to elect to figure your 2005 tax by averaging, over the previous 3 years (base years), all or part of your 2005 taxable income from your trade or business of farming or fishing. This election may give you a lower tax if your 2005 income from farming or fishing is high and your taxable income for one or more of the 3 prior years was low.

This election does not apply when figuring your alternative minimum tax on Form 6251. Also, you do not have to recompute, because of this election, the tax liability of any minor child who was required to use your tax rates in the prior years.

Fishing business. A fishing business is the trade or business of fishing in which the fish harvested, either in whole or in part, are intended to enter commerce or enter commerce through sale, barter, or trade. This includes:

1. The catching, taking, or harvesting of fish,
2. The attempted catching, taking, or harvesting of fish,
3. Any other activity which can reasonably be expected to result in the catching, taking, or harvesting of fish, or
4. Any operations at sea in support of, or in preparation for, any activity described in (1) through (3) above.

The word fish means finfish, mollusks, crustaceans, and all other forms of marine animal and plant life other than marine mammals and birds.

A fishing business does not include any scientific research activity which is conducted by a scientific research vessel.

Additional Information

See Regulations section 1.1301-1 for more details.

Specific Instructions



TIP Generally, income, gains, losses, and deductions from farming or fishing are reported on

- Form 1040, line 7, to the extent of wages and other compensation you received as a shareholder in an S corporation engaged in a farming or fishing business,
- Schedule C or C-EZ,
- Schedule D,
- Schedule E, Part II,
- Schedule F,
- Form 4797, and
- Form 4835.

Line 4

Figure the tax on the amount on line 3 using the 2005 Tax Table, Tax Computation Worksheet, or Qualified Dividends and Capital Gain Tax Worksheet from the 2005 Instructions for Form 1040, or the Schedule D Tax Worksheet in the 2005 Instructions for Schedule D. Enter the tax on line 4.

Line 5

If you used Schedule J to figure your tax for 2004 (that is, you entered the amount from Schedule J, line 22, on Form 1040, line 43, or on Form 1040ES), enter on line 5 the amount from your 2004 Schedule J, line 11. If you used Schedule J to figure your tax for 2003, but not 2004, enter on line 5 the amount from your 2003 Schedule J, line 15. If you used Schedule J to figure your tax for 2002 but not 2003 or 2004, enter on line 5 the amount from your 2002 Schedule J, line 3.

If you figured your tax for 2002, 2003, and 2004 without using Schedule J, enter on line 5 the taxable income from your 2002 tax return (or as previously adjusted by the IRS, an amended return, etc.) But if that amount is zero or less, complete the worksheet below to figure the amount to enter on line 5.

If you filed your 2002 tax return using TeleFile, enter the taxable income from your TeleFile Tax Record. If you did not file a tax return for 2002, use the amount you would have reported as your taxable income had you been required to file a tax return. Be sure to keep all your records for 2002 for at least 3 years after April 17, 2006 (or the date you file your 2005 tax return, if later).

Instructions for 2002 Taxable Income Worksheet

Line 2. Any net capital loss deduction on your 2002 Schedule D, line 18, is not al-

lowed for income averaging purposes to the extent it did not reduce your capital loss carryover to 2003. This could happen if the taxable income before subtracting exemptions shown on your 2002 Form 1040, line 39 (or as previously adjusted), was less than zero. Enter the amount by which your 2002 capital loss carryover to 2003 (the sum of your short- and long-term capital loss carryovers) exceeds the excess of the loss on your 2002 Schedule D, line 17, over the loss on your 2002 Schedule D, line 18. If you had any net operating loss (NOL) carrybacks to 2002, be sure you refigured your 2002 capital loss carryover to 2003.

Line 3. If you had an NOL for 2002, enter the amount of that NOL as figured on the 2002 tax return (Form 1045, Schedule A, line 27, you filed with Form 1045 or Form 1040ES). If you did not have an NOL for 2002, enter the portion, if any, of the NOL carryovers and carrybacks to 2002 that were not used in 2002 and were carried to years after 2002.

Example. John Farmington did not use income averaging for 2002, 2003, nor 2004. For 2005, John has \$18,000 of elected farm income on line 2. The taxable income before subtracting exemptions on his 2002 Form 1040, line 39, is \$4,000. A deduction for exemptions of \$3,000 is shown on line 40 and line 41, taxable income, is \$1,000. However, John had a \$22,200 NOL in 2003, \$9,000 of which was remaining to carry to 2002 after the NOL was carried back to 2001. To complete line 1 of the

worksheet, John combines the \$9,000 NOL deduction with the \$1,000 from his 2002 Form 1040, line 41. The result is a negative \$8,000. John's 2002 taxable income, which he enters as a positive amount on line 1 of the 2002 worksheet

When John filed his 2002 tax return, he had a \$3,000 net capital loss deduction on Schedule D, line 18 (which was also entered on Form 1040, line 13), a \$7,000 loss on Schedule D, line 17, and a \$1,000 capital loss carryover to 2003. However, when John carried back the 2003 NOL to 2002, he refigured his 2002 capital loss carryover to 2003 as \$7,000. John adds the \$3,000 from Schedule D, line 18, and the \$7,000 carryover. He subtracts from the result the \$7,000 loss on his Schedule D, line 17, and enters \$3,000 on line 2 of the worksheet.

John had \$1,000 of taxable income in 2002 that reduced the 2003 NOL carryback. The \$3,000 of exemptions and \$3,000 net capital loss deduction also reduced the amount of the 2003 NOL carryback. Therefore, only \$2,000 was available to carry to 2004 and later years as shown on his 2003 Form 1045, Schedule B, line 9. John enters the \$2,000 on line 3 of the worksheet, and \$5,000 on line 4. He then subtracts the \$5,000 from the \$8,000 on line 1 and enters the result, \$3,000, on line 5 of the worksheet. He enters a negative \$3,000 on Schedule J, line 5. He combines that amount with the \$6,000 on Schedule J, line 6, and enters \$3,000 on Schedule J, line 7.



Keep for Your Records

Complete this worksheet if you did not use Schedule J to figure your tax for both 2003 and 2004 and your 2002 taxable income was zero or less. See the instructions above before completing this worksheet.

1. Figure the taxable income from your 2002 tax return (or as previously adjusted) without limiting it to zero. If you had an NOL for 2002, do not include any NOL carryovers or carrybacks to 2002. Enter the result as a positive amount. 1. _____
2. If there is a loss on your 2002 Schedule D, line 18, add that loss (as a positive amount) and your 2002 capital loss carryover to 2003. Subtract from that sum the amount of the loss on your 2002 Schedule D, line 17, and enter the result. 2. _____
3. If you had an NOL for 2002, enter it as a positive amount. Otherwise, enter as a positive amount the portion, if any, of the NOL carryovers and carrybacks to 2002 that were not used in 2002 and were carried to years after 2002. 3. _____
4. Add lines 2 and 3. 4. _____
5. Subtract line 4 from line 1. Enter the result as a negative amount on Schedule J, line 5. 5. _____

2002 Tax Rate Schedules—Line 8

Schedule Y-1—Use if your 2002 filing status was Single				Schedule Y-2—Use if your 2002 filing status was Married filing separately			
If Schedule 1, line 7, is Over—		Enter on Schedule 1, line 8		If Schedule 1, line 7, is Over—		Enter on Schedule 1, line 8	
50	\$6,000	10%	\$600.00 +	50	\$6,000	10%	\$600.00 +
6,000	27,950	15%	6,000	6,000	23,350	15%	6,000
27,950	67,000	25%	3,892.50 +	23,350	56,425	25%	3,892.50 +
67,000	141,250	30%	14,625.00 +	56,425	85,975	30%	14,625.00 +
141,250	307,050	35%	36,690.00 +	85,975	153,525	35%	85,975
307,050		38.6%	94,720.00 +	153,525		38.6%	153,525

Schedule Y-1—Use if your 2002 filing status was Married filing jointly or Qualifying widow(er)				Schedule Z—Use if your 2002 filing status was Head of household			
If Schedule 1, line 7, is Over—		Enter on Schedule 1, line 8		If Schedule 1, line 7, is Over—		Enter on Schedule 1, line 8	
50	\$12,000	10%	\$1,200.00 +	50	\$10,000	10%	\$0
12,000	46,700	15%	12,000	10,000	37,450	15%	10,000
46,700	112,850	25%	6,405.00 +	37,450	96,700	25%	37,450
112,850	171,950	30%	24,265.00 +	96,700	156,600	30%	96,700
171,950	307,050	35%	41,995.00 +	156,600	307,050	35%	156,600
307,050		38.6%	89,280.00 +	307,050		38.6%	307,050

Line 8 • The 2002 Capital Gain Tax Worksheet below, or

• The Schedule D you filed for 2002 (but use the 2002 Tax Rate Schedules above instead of the 2002 Tax Table when figuring the tax on Schedule D, lines 25 and 26)

2002 Capital Gain Tax Worksheet—Line 8

Use this worksheet only if you entered capital gain distributions directly on line 13 of your 2002 Form 1040 (or line 10 of your 2002 Form 1040A) and checked the box on that line and elected farm income included on Schedule J, lines 5 and 6, does not include any net capital gain

- Amount from Schedule 1, line 7
- Amount from your 2002 Form 1040, line 13 (or Form 1040A, line 10)
- Subtract line 2 from line 1. If zero or less, enter -0-
- Figure the tax on the amount on line 3. Use the 2002 Tax Rate Schedules above
- Enter the **smaller** of
 - The amount on line 1 above or
 - \$27,950 if single for 2002, \$46,700 if married filing jointly or qualifying widow(er), \$23,350 if married filing separately, or \$37,450 if head of household
- Enter the amount from line 3
- Subtract line 6 from line 5. If zero or less, enter -0- and go to line 9
- Multiply line 7 by 19% (19)
- Enter the **smaller** of line 1 or line 2
- Enter the amount from line 7
- Subtract line 10 from line 9. If zero or less, enter -0- and go to line 13
- Multiply line 11 by 20% (20)
- Add lines 4, 8, and 12
- Figure the tax on the amount on line 1. Use the 2002 Tax Rate Schedules above
- Enter the **smaller** of line 13 or line 14 here and on Schedule J, line 8

J-3

Line 9

If you used Schedule J to figure your tax for 2004 (that is, you entered the amount from Schedule J, line 22, on Form 1040, line 43, or on Form 1040A, line 43), enter on line 9 the amount from your 2004 Schedule J, line 15. If you used Schedule J to figure your tax for 2003 but not 2004, enter on line 9 the amount from your 2003 Schedule J, line 3.

If you figured your tax for both 2003 and 2004 without using Schedule J, enter on line 9 the taxable income from your 2003 tax return (or as previously adjusted by the IRS, an amended return, etc.) But if that amount is zero or less, complete the worksheet below to figure the amount to enter on line 9.

If you filed your 2003 tax return using TeleFile, enter the taxable income from your TeleFile Tax Record. If you did not file a tax return for 2003, use the amount you would have reported as your taxable income had you been required to file a tax return. Be sure to keep all your records for 2003 until at least 3 years after April 15, 2006 (or the date you file your 2005 tax return, if later).

Instructions for 2003 Taxable Income Worksheet

Line 2. Any net capital loss deduction on your 2003 Schedule D, line 18, is not allowed for income averaging purposes to the

extent it did not reduce your capital loss carryover to 2004. This could happen if the taxable income before subtracting exemptions shown on your 2003 Form 1040, line 38 (or as previously adjusted), was less than zero. Enter the amount by which your 2003 capital loss carryover to 2004 (the sum of your short- and long-term capital loss carryovers) exceeds the excess of the loss on your 2003 Schedule D, line 17a, over the loss on your 2003 Schedule D, line 18. If you had any NOL carrybacks to 2003, be sure you refigured your 2003 capital loss carryover to 2004.

Line 3. If you had an NOL for 2003, enter the amount of that NOL as figured on the 2003 Form 1045, Schedule A, line 27, you filed with Form 1045 or Form 1040X. If you did not have an NOL for 2003, enter the portion, if any, of the NOL carryovers and carrybacks to 2003 that were not used in 2003 and were carried to years after 2003.

Example. John Farmington did not use income averaging for 2002, 2003, nor 2004. The taxable income before subtracting exemptions on his 2003 Form 1040, line 38, is a negative \$29,950. A deduction for exemptions of \$3,050 is shown on line 19, and line 40, taxable income, is limited to zero. John subtracts from the \$29,950 loss the \$3,050 deduction for exemptions. The result is a negative \$33,000. John's 2003 taxable income, which he enters as a positive amount on line 9, is \$33,000.

Line 4. Enter the result as a negative amount on Schedule J, line 9.

2003 Taxable Income Worksheet—Line 9

Complete this worksheet if you did not use Schedule J to figure your tax for 2004 and your 2003 taxable income was zero or less. See the instructions above before completing this worksheet.

- Figure the taxable income from your 2003 tax return (or as previously adjusted) without limiting it to zero. If you had an NOL for 2003, do not include any NOL carryovers or carrybacks to 2003. Enter the result as a positive amount
- If there is a loss on your 2003 Schedule D, line 18, add that loss (as a positive amount) and your 2003 capital loss carryover to 2004. Subtract from that sum the amount of the loss on your 2003 Schedule D, line 17a, and enter the result
- If you had an NOL for 2003, enter it as a positive amount. Otherwise, enter as a positive amount the portion, if any, of the NOL carryovers and carrybacks to 2003 that were not used in 2003 and were carried to years after 2003
- Add lines 2 and 3
- Subtract line 4 from line 1. Enter the result as a negative amount on Schedule J, line 9

J-4

Keep for Your Records

Line 12

If line 11 is zero or less, enter -0- on line 12. Otherwise, figure the tax on the amount on line 11 using:

- The 2003 Tax Rate Schedules below.
- The 2003 Tax Rate Schedules below.

figuring the tax on Schedule D, lines 50 and 52, or on the Schedule D Tax Worksheet, lines 48 and 50).

2003 Tax Rate Schedules—Line 12

Schedule X—Use if your 2003 filing status was Single				Schedule Y-1—Use if your 2003 filing status was Married filing jointly or Qualifying widow(er)				Schedule Y-2—Use if your 2003 filing status was Head of household				Schedule Z—Use if your 2003 filing status was Married filing separately			
If Schedule 1, line 11, is Over—	But not over—	Enter on Schedule 1, line 12	of the amount over—	If Schedule 1, line 11, is Over—	But not over—	Enter on Schedule 1, line 12	of the amount over—	If Schedule 1, line 11, is Over—	But not over—	Enter on Schedule 1, line 12	of the amount over—	If Schedule 1, line 11, is Over—	But not over—	Enter on Schedule 1, line 12	of the amount over—
\$0	\$14,000	\$0	10%	\$0	\$14,000	\$0	10%	\$0	\$14,000	\$0	10%	\$0	\$14,000	\$0	10%
7,000	56,800	7,000	15%	7,000	56,800	7,000	15%	7,000	56,800	7,000	15%	7,000	56,800	7,000	15%
28,400	114,650	28,400	25%	28,400	114,650	28,400	25%	28,400	114,650	28,400	25%	28,400	114,650	28,400	25%
68,800	174,700	68,800	28%	68,800	174,700	68,800	28%	68,800	174,700	68,800	28%	68,800	174,700	68,800	28%
143,500	311,950	143,500	33%	143,500	311,950	143,500	33%	143,500	311,950	143,500	33%	143,500	311,950	143,500	33%
311,950		311,950	35%	311,950		311,950	35%	311,950		311,950	35%	311,950		311,950	35%

Line 13

If you used Schedule J to figure your tax for 2004 (that is, you entered the amount from that Schedule J, line 22, on Form 1040, line 43, or on Form 1040X), enter on line 13 the amount from that Schedule J, line 3.

If you did not use Schedule J to figure your tax for 2004, enter on line 13 the taxable income from your 2004 tax return (or as previously adjusted by the IRS, an amended return, etc.) But if that amount is zero or less, complete the worksheet on page J-7 to figure the amount to enter on line 13.

If you filed your 2004 tax return using TeleFile, enter the taxable income from your TeleFile Tax Record. If you did not file a tax return for 2004, use the amount you would have reported as your taxable income had you been required to file a tax return. Be sure to keep all your records for 2004 until at least 3 years after April 17,

2006 (or the date you file your 2005 tax return, if later).

Instructions for 2004 Taxable Income Worksheet

Line 2. Any net capital loss deduction on your 2001 Schedule D, line 21, is not allowed for income averaging purposes to the extent it did not reduce your capital loss carryover to 2005. This could happen if the taxable income before subtracting exemptions shown on your 2004 Form 1040, line 40 (or as previously adjusted), was less than zero. Enter the amount by which your 2004 capital loss carryover to 2005 (the sum of your short- and long-term capital loss carryovers) exceeds the excess of the loss on your 2004 Schedule D, line 16, over the loss on your 2004 Schedule D, line 21.

Line 3. If you had an NOL for 2004, enter the amount of that NOL as figured on the 2004 Form 1045, Schedule A, line 24, you filed with Form 1045 or Form 1045X. If

you did not have an NOL for 2004, enter the portion, if any, of the NOL carryovers and carrybacks to 2004 that were not used in 2004 and were earned to years after 2004.

Example. John Farmington did not use income averaging for 2002, 2003, nor 2004. The taxable income before subtracting exemptions on his 2004 Form 1040, line 40, is a negative \$1,000. This amount includes an NOL deduction (NOLD) on his 2004 Form 1040, line 21, of \$2,000. The \$2,000 is the portion of the 2003 NOL that was remaining from 2002 to be carried to 2004. See the examples on pages J-2 and J-4. A deduction for exemptions of \$3,100 is shown on Form 1040, line 41, and line 42; taxable income, is limited to zero. John does not have an NOL for 2004. John subtracts from the \$1,000 negative amount on Form 1040, line 40, the \$3,100 deduction for exemptions. The result is a negative \$4,100, John's 2004 taxable income, which

2003 Qualified Dividends and Capital Gain Tax Worksheet—Line 12

Keep for Your Records

Use this worksheet only if:

- You entered (a) qualified dividends on your 2003 Form 1040, line 9b (or your 2003 Form 1040A, line 9b) or (b) capital gain distributions directly on your 2003 Form 1040, line 13a (or your 2003 Form 1040A, line 10a) and checked the box on that line, and
- Your elected farm income on Schedule J, lines 9 and 10, does not include any net capital gain.

1. Amount from Schedule J, line 11	1.	
2. Enter the total of the amounts from your 2003 Form 1040, lines 9b and 13a (or Form 1040A, lines 9b and 10a)	2.	
3. Amount, if any, from your 2003 Form 4952, line 4g	3.	
4. Subtract line 3 from 2. If zero or less, enter -0-	4.	
5. Enter the smaller of:		
• The amount on line 1 above or	5.	
• \$56,800 if married filing jointly or qualifying widow(er) for 2003, \$28,400 if single or married filing separately, or \$38,050 if head of household	6.	
6. Subtract line 4 from line 5. If zero or less, enter -0-	6.	
7. Subtract line 6 from line 5. If zero or less, enter -0- and go to line 13	7.	
8. Enter the total of the amounts from your 2003 Form 1040, lines 9b and 13b (or Form 1040A, lines 9b and 10b)	8.	
9. Enter the smaller of line 7 or 8	9.	
10. Multiply line 8 by 5% (0.05)	10.	
11. Subtract line 9 from line 7. If zero, go to line 13	11.	
12. Multiply line 11 by 10% (0.10)	12.	
13. Enter the smaller of line 1 or line 4	13.	
14. Enter the amount from line 7	14.	
15. Subtract line 14 from line 13. If zero or less, enter -0- and go to line 23	15.	
16. Enter the total of the amounts from your 2003 Form 1040, lines 9b and 13b (or Form 1040A, lines 9b and 10b)	16.	
17. Enter the amount from line 9 (if line 9 is blank, enter -0-)	17.	
18. Subtract line 17 from line 16	18.	
19. Enter the smaller of line 15 or line 18	19.	
20. Multiply line 19 by 15% (0.15)	20.	
21. Subtract line 19 from line 15. If zero, go to line 23	21.	
22. Multiply line 21 by 20% (0.20)	22.	
23. Figure the tax on the amount on line 6. Use the 2003 Tax Rate Schedules on page J-5	23.	
24. Add lines 10, 12, 20, 22, and 23	24.	
25. Figure the tax on the amount on line 1. Use the 2003 Tax Rate Schedules on page J-5	25.	
26. Tax. Enter the smaller of line 24 or line 25 here and on Schedule J, line 12	26.	

2004 Taxable Income Worksheet—Line 13

Complete this worksheet if your 2004 taxable income is zero or less. See the instructions that begin on page J-6 before completing this worksheet.

- Figure the taxable income from your 2004 tax return (or as previously adjusted) without limiting it to zero. If you had an NOL for 2004, do not include any NOL carryovers or carrybacks to 2004. Enter the result as a positive amount **1.**
- If there is a loss on your 2004 Schedule D, line 21, add that loss (as a positive amount) and your 2004 capital loss carryover to 2005. Subtract from that sum the amount of the loss on your 2004 Schedule D, line 16, and enter the result **2.**
- If you had an NOL for 2004, enter it as a positive amount. Otherwise, enter as a positive amount the portion, if any, of the NOL carryovers and carrybacks to 2004 that were not used in 2004 and were earned to years after 2004 **3.**
- Add lines 2 and 3 **4.**
- Subtract line 4 from line 1. Enter the result as a negative amount on Schedule J, line 13 **5.**

he enters as a positive amount on line 1 of the 2004 worksheet.

When John filed his 2004 tax return, he had a \$3,000 net capital loss deduction on Schedule D, line 21, which was also entered on Form 1040, line 13, as a \$7,000 loss on Schedule D, line 16, and a \$5,000 capital loss carryover to 2005 (his 2004 capital loss carryover to 2005 was \$5,000, not \$4,000, because the amount on his Form 1040, line 40, was a negative \$1,000). John adds the \$3,000 from Schedule D, line 21, and the \$5,000 carryover. He subtracts from the result the \$7,000 loss on his Schedule D, line 16, and enters \$1,000 on line 2 of the worksheet.

John enters -0- on line 3 of the worksheet because he does not have an NOL for

Line 16

If line 15 is zero or less enter -0- on line 16. Otherwise, figure the tax on the amount on line 15 using:

- The 2004 Tax Rate Schedules below, or
- The 2004 Qualified Dividends and Capital Gain Tax Worksheet on page J-8, or
- The 2004 Schedule D Tax Worksheet (but use the 2004 Tax Rate Schedules below instead of the 2004 Tax Table when figuring the tax on the Schedule D Tax Worksheet, lines 34 and 36).

2004 and did not have an NOL carryover from 2004 available to carry to 2005 and later years. The NOL for 2004 of \$2,000 was reduced to zero because it did not exceed his modified taxable income of \$4,000. Modified taxable income is figured by adding back the \$3,000 net capital loss deduction and the \$1,000 of exemptions to negative taxable income (figured without regard to the NOL) of \$2,100. John enters \$1,000 on line 4 and \$3,100 on line 5. He enters \$3,100 as a negative amount on Schedule J, line 13. He enters \$6,000 on Schedule J, line 14, and \$2,900 on Schedule J, line 15. If he uses Schedule J to figure his tax for 2006, he will enter \$2,900 on his 2006 Schedule J as his 2004 taxable income for income averaging purposes.

2004 Tax Rate Schedules—Line 16

Schedule X—Use if your 2004 filing status was Single				Schedule Y-2—Use if your 2004 filing status was Married filing separately			
If Schedule J, line 15, is		Enter on Schedule J, line 16		If Schedule J, line 15, is		Enter on Schedule J, line 16	
Over—	But not over—	of the amount over—	of the amount over—	Over—	But not over—	of the amount over—	of the amount over—
\$0	\$7,150	10%	\$0	\$0	\$7,150	10%	\$0
7,150	29,050	15%	7150	7,150	29,050	15%	7150
29,050	70,350	25%	29,050	29,050	58,625	25%	29,050
70,350	146,750	28%	70,350	58,625	89,325	28%	58,625
146,750	319,100	33%	146,750	89,325	159,550	33%	89,325
319,100		35%	319,100	159,550		35%	159,550
Schedule Y-1—Use if your 2004 filing status was Married filing jointly or Qualifying widow(er)				Schedule Z—Use if your 2004 filing status was Head of household			
If Schedule J, line 15, is		Enter on Schedule J, line 16		If Schedule J, line 15, is		Enter on Schedule J, line 16	
Over—	But not over—	of the amount over—	of the amount over—	Over—	But not over—	of the amount over—	of the amount over—
\$0	\$14,300	10%	\$0	\$0	\$10,200	10%	\$0
14,300	58,100	15%	14,300	10,200	38,500	15%	10,200
58,100	117,250	25%	58,100	38,500	100,500	25%	38,500
117,250	178,650	28%	117,250	100,500	162,700	28%	100,500
178,650	319,100	33%	178,650	162,700	319,100	33%	162,700
319,100		35%	319,100	319,100		35%	319,100

J-7

Lines 18, 19, and 20

If you filed your 2002, 2003, or 2004 tax return using TeleFile, enter your tax from your TeleFile Tax Record. If you amended your return or the IRS made changes to it, enter the corrected amount.

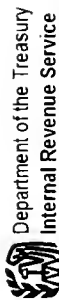
2004 Qualified Dividends and Capital Gain Tax Worksheet—Line 16

Use this worksheet only if both of the following apply:

- Your elected farm income on Schedule J, line 2, does not include any net capital gain.
- You (a) entered qualified dividends on your 2004 Form 1040, line 9b (or your 2004 Form 1040A, line 9b), (b) entered capital gain distributions directly on your 2004 Form 1040, line 13 (or your 2004 Form 1040A, line 10) and checked the box on that line, or (c) filed Schedule D in 2004 and you answered "Yes" on lines 17 and 20 of that Schedule D.

- Amount from Schedule J, line 15 **1.**
- Amount from Form 1040, line 9b (or Form 1040A, line 9b) **2.**
- Did you file Schedule D in 2004? **3.**
 - ☐ Yes. Enter the smaller of line 15 or 16 of your 2004 Schedule D, but do not enter less than -0-.
 - ☐ No. Enter the amount from Form 1040, line 13 (or Form 1040A, line 10).
- Add lines 2 and 3 **4.**
- Amount, if any, from your 2004 Form 4952, line 4g **5.**
- Subtract line 5 from line 4. If zero or less, enter -0- **6.**
- Subtract line 6 from line 1. If zero or less, enter -0- **7.**
- Enter the smaller of:
 - The amount on line 1, or
 - \$29,050 if single or married filing separately for 2004, \$38,100 if married filing jointly or qualifying widow(er), \$38,900 if head of household **8.**
- Is the amount on line 7 equal to or more than the amount on line 8?
 - ☐ Yes. Skip lines 9 through 11; go to line 12 and check the "No" box.
 - ☐ No. Enter the amount from line 7 **9.**
- Subtract line 9 from line 8 **10.**
- Multiply line 10 by 5% (05) **11.**
- Are the amounts on lines 6 and 10 the same?
 - ☐ Yes. Skip lines 12 through 15; go to line 16.
 - ☐ No. Enter the smaller of line 1 or line 6 **12.**
- Enter the amount from line 10 (if line 10 is blank, enter -0-) **13.**
- Subtract line 13 from line 12 **14.**
- Multiply line 14 by 15% (15) **15.**
- Figure the tax on the amount on line 7. Use the 2004 Tax Rate Schedules on page J-7. Add lines 11, 15, and 16 **16.**
- Figure the tax on the amount on line 1. Use the 2004 Tax Rate Schedules on page J-7. Add lines 11, 15, and 16 **17.**
- Enter the smaller of line 17 or line 18 here and on Schedule J, line 16 **18.**
- Enter the smaller of line 17 or line 18 here and on Schedule J, line 16 **19.**

J-8



2005 Instructions for Schedule SE (Form 1040)

Self-Employment Tax

Use Schedule SE (Form 1040) to figure the tax due on net earnings from self-employment. The Social Security Administration uses the information from Schedule SE to figure your benefits under the social security program. This tax applies no matter how old you are and even if you are already getting social security or Medicare benefits.

Additional Information. See Pub. 225 or Pub. 334.

But if you filed Form 1361 and received IRS approval, you will be exempt from paying SE tax on those net earnings. If you had no other income subject to SE tax, enter "Exempt—Form 1361" on Form 1040, line 58. However, if you had other earnings of \$400 or more subject to SE tax, see line A at the top of Long Schedule SE.

What's New

For 2005, the maximum amount of self-employment income subject to social security tax is \$90,000.

Who Must File Schedule SE

You must file Schedule SE if:

- Your net earnings from self-employment (see page SE-2) from other than church employee income were \$400 or more; or
- You had church employee income of \$108.28 or more (see *Employees of Churches and Church Organizations* below).

Who Must Pay Self-Employment (SE) Tax?

Self-Employed Persons

You must pay SE tax if you had net earnings of \$400 or more as a self-employed person. If you are in business for yourself or you are a farmer, you are self-employed. You must also pay SE tax on your share of certain partnership income and your guaranteed payments. See *Partnership Income or Loss* on page SE-2.

Employees of Churches and Church Organizations

If you had church employee income of \$108.28 or more, you must pay SE tax. Church employee income is wages you received as an employee (other than as a minister or member of a religious order) of a church or qualified church-controlled organization that has a certificate in effect electing an exemption from employer social security and Medicare taxes.

Ministers and Members of Religious Orders

In most cases, you must pay SE tax on salaries and other income for services you performed as a minister, a member of a religious order who has not taken a vow of poverty, or a Christian Science practitioner.

of a religious sect recognized as being in existence at all times since December 31, 1950, and which has provided a reasonable level of living for its dependent members, you are exempt from SE tax if you received IRS approval by filing Form 4029. In this case, do not file Schedule SE. Instead, enter "Exempt, Form 4029" on Form 1040, line 58. See Pub. 517 for details.

U.S. Citizens Employed by Foreign Governments or International Organizations

You must pay SE tax on income you earned as a U.S. citizen employed by a foreign government (or, in certain cases, by a wholly owned instrumentality of a foreign government or an international organization) under the International Organizations Immunities Act) for services performed in the United States, Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), or the Virgin Islands. Report income from this employment on either Short or Long Schedule SE, line 5a. It is not considered church employee income. Also, include on line 2:

- The rental value of a home or allowance for a home furnished to you (including payments for utilities), and
- The value of meals and lodging provided to you, your spouse, and your dependents for your employer's convenience.

U.S. Citizens or Resident Aliens Living Outside the United States

If you are a self-employed U.S. citizen or resident alien living outside the United States, in most cases you must pay SE tax. You cannot reduce your foreign earnings from self-employment by your foreign earned income exclusion.

Exception. The United States has social security agreements with many countries to eliminate dual taxes under two social security systems. Under these agreements, you must generally pay social security and Medicare taxes to only the country you live in.

The United States now has social security agreements with the following countries: Australia, Austria, Belgium, Canada, Chile, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, South Korea, Spain, Sweden, Switzerland, and the United Kingdom. Additional agreements

SE-1

CA No. 24334P

are expected in the future. If you have questions about international social security agreements, you can:

- Visit the Social Security Administration (SSA) website at www.socialsecurity.gov/international.

• Call the SSA (office of International Programs) at (410) 965-4538 or (410) 965-0377 (long-distance charges may apply), or

- Write to Social Security Administration, Office of International Programs, P.O. Box 17741, Baltimore, MD 21238-7741.

If your self-employment income is exempt from SE tax, you should get a statement from the appropriate agency of the foreign country verifying that your self-employment income is subject to social security coverage in that country. If the foreign country will not issue the statement, contact the SSA at the address shown above. Do not complete Schedule SE. Instead, attach a copy of the statement to Form 1040 and enter "Exempt, see attached statement" on Form 1040, line 58.

More Than One Business

If you had two or more businesses, your net earnings from self-employment are the combined net earnings from all of your businesses. If you had a loss in one business, it reduces the income from another. Figure the combined SE tax on one Schedule SE.

Joint Returns

Show the name of the spouse with SE income on Schedule SE. If both spouses have SE income, each must file a separate Schedule SE. However, if one spouse qualifies to use Short Schedule SE (front of form) and the other must use Long Schedule SE (back of form), both can use the same form. One spouse should complete the front and the other the back.

Include the total profits or losses from all businesses on Form 1040, as appropriate. Enter the combined SE tax on Form 1040, line 58.

Community Income

In most cases, if any of the income from a business (including farming) is community income, all of the income from that business is SE earnings of the spouse who earned on the business. The facts in each case will determine which spouse carried on the business. If you and your spouse are partners in a partnership, see *Partnership Income or Loss* on this page.

If you and your spouse had community income and file separate returns, attach Schedule SE to the return of the spouse with the SE income. Also, attach Schedule(s) C, C-EZ, or F to the return of each spouse.

If you are the spouse who earned on the business, you must include on Schedule SE, line 3, the net profit or (loss) reported

on the other spouse's Schedule C, C-EZ, or F (except income not included in net earnings from self-employment as explained on page SE-3). Enter on the dotted line to the left of Schedule SE, line 3, "Community Income Taxed to Spouse," and the amount of any net profit or (loss) allocated to your spouse as community income. Combine that amount with the total of lines 1 and 2 and enter the result on line 3.

If you are not the spouse who earned on the business and you had no other income subject to SE tax, enter "Exempt Community Income" on Form 1040, line 58, do not file Schedule SE. However, if you had other earnings subject to SE tax of \$400 or more, enter on the dotted line to the left of Schedule SE, line 3, "Exempt Community Income" and the amount of net profit or (loss) from Schedule C, C-EZ, or F allocated to you as community income. If that amount is a net profit, subtract it from the total of lines 1 and 2, and enter the result on line 3. If that amount is a loss, treat it as a positive amount, add it to the total of lines 1 and 2, and enter the result on line 3.



Community income included on Schedule(s) C, C-EZ, or F must be divided for income tax purposes based on the community property laws of your state.

Fiscal Year Filers

If your tax year is a fiscal year, use the tax rate and earnings base that apply at the time the fiscal year begins. Do not prorate the tax, or earnings base for a fiscal year that overlaps the date of a rate or earnings base change.

Specific Instructions

Read the chart on page 1 of Schedule SE to see if you can use Section A, Short Schedule SE, or if you must use Section B, Long Schedule SE. For either section, you need to know what to include as net earnings from self-employment. Read the following instructions to see what to include as net earnings and how to fill in either Short or Long Schedule SE, lines 1 and 2. Enter all negative amounts in parentheses.

Net Earnings From Self-Employment

What Is Included in Net Earnings From Self-Employment?

In most cases, net earnings include your net profit from a farm or nonfarm business. If you were a partner in a partnership, see the following instructions.

SE-2

Partnership Income or Loss
If you were a general or limited partner in a partnership, include on line 1 or line 2, whichever applies, the amount of net earnings from self-employment from Schedule K-1 (Form 1065), box 14, with code A, and Schedule K-1 (Form 1065-B), box 9. General partners should reduce this amount before entering it on Schedule SE, by any section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties. If you reduce the amount you enter on Schedule SE, attach an explanation.

If a partner died and the partnership continued, include in SE income the deceased's distributive share of the partnership's ordinary income or loss through the end of the month in which he or she died. See section 1402(f).

If you were married and both you and your spouse were partners in a partnership, each of you must pay SE tax on your own share of the partnership income. Each of you must file a Schedule SE and report the partnership income or loss on Schedule E (Form 1040), Part II, for income tax purposes.

SE income belongs to the person who is the member of the partnership and cannot be treated as SE income by the nonmember spouse even in community property states.

Share Farming

You are considered self-employed if you produced crops or livestock on someone else's land for a share of the crops or livestock produced for a share of the proceeds from the sale of them. This applies even if you paid another person (an agent) to do the actual work or management for you. Report your net earnings for income tax purposes on Schedule F (Form 1040) and for SE tax purposes on Schedule SE. See Pub. 225 for details.

Other Income and Losses Included in Net Earnings From Self-Employment

1. Rental income from a farm if, as landlord, you materially participated in the production or management of the production of farm products on this land. This income is farm earnings. To determine whether you materially participated in farm management or production, do not consider the activities of any agent who acted for you. The material participation tests are explained in Pub. 225.
2. Cash or a payment-in-kind from the Department of Agriculture for participating in a land diversion program.
3. Payments for the use of rooms or other space when you also provided substantial services. Examples are hotel rooms, boarding houses, tourist camps or

Earnings From Self-Employment or as an employee or employee representative under the railroad retirement system.

2. Fees received for services performed as a notary public. If you had no other income subject to SE tax, enter "Exempt—Notary" on Form 1040, line 58. However, if you had other earnings of \$400 or more subject to SE tax, enter "Exempt—Notary" and the amount of your net profit, as a notary public, from Schedule C or Schedule C-EZ on the dotted line to the left of Subline SE, line 3. Subtract that amount from the total of lines 1 and 2 and enter the result on line 3.

3. Income you received as a retired partner under a written partnership plan that provides for lifelong periodic retirement payments if you had no other interest in the partnership and did not perform services for it during the year.

4. Income from real estate rentals if you did not receive the income in the course of a trade or business as a real estate dealer. Report this income on Schedule E.

5. Income from farm rentals (including rentals paid in crop shares) if, as landlord, you did not materially participate in the production or management of the production of farm products on the land. See Pub 225 for details.

6. Dividends on shares of stock and interest on bonds, notes, etc., if you did not receive the income in the course of your trade or business as a dealer in stocks or securities.

7. Gain or loss from:

- The sale or exchange of a capital asset.
- The sale, exchange, involuntary conversion, or other disposition of property unless the property is stock in trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business, or:
- Certain transactions in timber, coal, or domestic iron ore.

8. Net operating losses from other years.

9. Termination payments you received as a former insurance salesperson if all of the following conditions are met:

- The payment was received from an insurance company because of services you performed as an insurance salesperson for the company.
- The payment was received after termination of your agreement to perform services for the company.
- You did not perform any services for the company after termination and before the end of the year in which you received the payment.
- You entered into a covenant not to compete against the company for at least a 1-year period beginning on the date of termination.

10. Recapture amounts under sections 179 and 280F that you included in gross income because the business use of the property dropped to 50% or less. Do not include amounts you recaptured on the disposition of property. See Form 4797.

11. Fees you received as a professional fiduciary. This may also apply to fees paid to you as a nonprofessional fiduciary if the fees relate to active participation in the operation of the estate's business, or the management of an estate that required extensive management activities over a long period of time.

12. Gain or loss from section 1256 contracts or related property by an options or commodities dealer in the normal course of dealing in or trading section 1256 contracts.

13. Salaries, fees, etc., subject to social security or Medicare tax that you received for performing services as an employee, including services performed as a public official (except as a fee basis government employee as explained in item 7 under Other Income and Losses Included in Net

Earnings From Self-Employment).

14. Income from the retail sale of newspapers and magazines if you were age 18 or older and kept the profits.

15. Amounts received by current or former self-employed insurance agents and salespersons that are:

- Paid after retirement but figured as a percentage of commissions received from the paying company before retirement.
- Renewal commissions, or
- Deferred commissions paid after retirement for sales made before retirement.

However, certain termination payments received by former insurance salespersons are not included in net earnings from self-employment (as explained in item 9 under Income and Losses Not Included in Net Earnings From Self-Employment on this page).

16. Income of certain crew members of fishing vessels with crews of normally fewer than 10 people. See Pub 334 for details.

17. Fees as a state or local government employee if you were paid only on a fee basis and the job was not covered under a federal-state social security coverage agreement.

18. Interest received in the course of any trade or business, such as interest on notes or accounts receivable.

19. Fees and other payments received by you for services as a director of a corporation.

20. Income from the sale or exchange of a capital asset.

21. The sale, exchange, involuntary conversion, or other disposition of property unless the property is stock in trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business, or:

22. Certain transactions in timber, coal, or domestic iron ore.

23. Net operating losses from other years.

24. Termination payments you received as a former insurance salesperson if all of the following conditions are met:

25. The payment was received from an insurance company because of services you performed as an insurance salesperson for the company.

26. The payment was received after termination of your agreement to perform services for the company.

27. You did not perform any services for the company after termination and before the end of the year in which you received the payment.

28. You entered into a covenant not to compete against the company for at least a 1-year period beginning on the date of termination.

29. Income from the retail sale of newspapers and magazines if you were age 18 or older and kept the profits.

30. Amounts received by current or former self-employed insurance agents and salespersons that are:

31. Paid after retirement but figured as a percentage of commissions received from the paying company before retirement.

32. Renewal commissions, or

33. Deferred commissions paid after retirement for sales made before retirement.

Using the optional methods may give you the benefits described on page SE-3, but they may also increase your SE tax.

Farm Optional Method

You may use this method to figure your net earnings from farm self-employment if your gross farm income was \$2,400 or less or your net farm profits were less than \$1,733. Net farm profits are the total of the amounts from:

- Schedule F (Form 1040), line 36, and
- Schedule K-1 (Form 1065), box 14, with code A (from farm partnerships).

There is no limit on how many years you can use this method.

Under this method, you report on Part II, line 15, two-thirds of your gross farm income, up to \$1,600, as your net earnings. This method can increase or decrease your net earnings from farm self-employment even if the farming business had a loss.

You can change the method after you file your return. That is, you can change from the regular to the optional method or from the optional to the regular method. To do this, file Form 1040-X.

For a farm partnership, figure your share of gross income based on the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payments plus

your share of the gross income after it is reduced by all guaranteed payments made by the partnership. If you were a limited partner, include only guaranteed payments for services you actually rendered to or on behalf of the partnership.

Nonfarm Optional Method

You may be able to use this method to figure your net earnings from nonfarm self-employment if your net nonfarm profits were less than \$1,733 and also less than 72.189% of your gross nonfarm income. Net nonfarm profits are the total of the amounts from:

- Schedule C (Form 1040), line 31,
- Schedule C-EZ (Form 1040), line 3,
- Schedule K-1 (Form 1065), box 14, with code A (from other than farm partnerships), and
- Schedule K-1 (Form 1065-B), box 9.

To use this method, you also must be regularly self-employed. You meet this requirement if your actual net earnings from self-employment were \$400 or more in 2 of the 3 years preceding the year you use the nonfarm method. The net earnings of \$400 or more could be from either farm or nonfarm earnings or both. The net earnings include your distributive share of partnership income or loss subject to SE tax. Use of the nonfarm optional method from nonfarm

earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

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If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

self-employment is limited to 5 years. The 5 years do not have to be consecutive.

Under this method, you report on Part II, line 17, two-thirds of your gross nonfarm income, up to \$1,600, as your net earnings. But you cannot report less than your actual net earnings from nonfarm self-employment.

You can change the method after you file your return. That is, you can change from the regular to the optional method or from the optional to the regular method. To do so, file Form 1040-X.

Figure your share of gross income from a nonfarm partnership in the same manner as a farm partnership. See *Farm Optional Method* on this page for details.

Using Both Optional Methods

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

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If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net earnings from self-employment.

Tax, credits, and payments Enter the amount from line 21 (adjusted gross income) **22** 22

23a Check ☐ You were born before January 2, 1941. ☐ Blind ☐ Total boxes checked **23a**
 if ☐ Spouse was born before January 2, 1941, ☐ Blind ☐ checked **23a**

b If you are married filing separately and your spouse itemizes deductions, see page 32 and check here ☐ **23b**

24 Enter your **standard deduction** (see left margin). **24**

25 Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-. **25**

26 If line 22 is over \$109,475, or you provided housing to a person displaced by Hurricane Katrina, see page 33. Otherwise, multiply \$3,200 by the total number of exemptions claimed on line 6d. **26**

27 Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. **27**

28 This is your **taxable income**. **28**

29 Tax, including any alternative minimum tax (see page 34). **29**

30 Credit for child and dependent care expenses. Attach Schedule 2. **30**

31 Credit for the elderly or the disabled. Attach Schedule 3. **31**

32 Education credits. Attach Form 8863. **32**

33 Retirement savings contributions credit. Attach Form 8880. **33**

34 Child tax credit (see page 38). Attach Form 8801 if required. **34**

35 Adoption credit. Attach Form 8839. **35**

36 Add lines 29 through 34. These are your **total credits**. **36**

37 Subtract line 35 from line 28. If line 35 is more than line 28, enter -0-. **37**

38 Advance earned income credit payments from Form(s) W-2. **38**

39 Add lines 36 and 37. This is your **total tax**. **39**

40 Federal income tax withheld from Forms W-2 and 1099. **40**

41a 2005 estimated tax payments and amount applied from 2004 return. **41a**

41b **Earned income credit (EIC)**. **41b**

42 Nonrefundable credit pay election. 41b **42**

43 Additional child tax credit. Attach Form 8812. **43**

44 Add lines 39, 40, 41a, and 42. These are your **total payments**. **44**

45a Amount of line 44 you want refunded to you. **45a**

45b Routing number **45b**

45c Account number **45c**

45d Amount of line 44 you want applied to your 2006 estimated tax. **45d**

46 Amount of line 44 you want applied to your 2006 estimated tax. **46**

47 Amount you owe. Subtract line 43 from line 38. For details on how to pay, see page 54. **47**

48 Estimated tax penalty (see page 54). **48**

Third party designee Do you want to allow another person to discuss this return with the IRS (see page 55)? ☐ Yes, Complete the following ☐ No

Designee's name **49** 49

Phone no. **50** 50

Personal identification number (PIN) **51** 51

Sign here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurate; and I am aware of any penalties that may be imposed for furnishing false or fraudulent information. I am not aware of any information that would require the preparer to file a return for me (other than the taxpayer) based on all information of which the preparer has any knowledge.

Your signature **52** 52

Date **53** 53

Spouse's signature, if a joint return, both must sign **54** 54

Date **55** 55

Spouse's occupation **56** 56

Preparer's signature **57** 57

Date **58** 58

Preparer's name (for self-employed), address, and ZIP code **59** 59

Check if self-employed ☐ **60** 60

Preparer's SSN or PTIN **61** 61

Form 1040A (2005)

Department of the Treasury—Internal Revenue Service

1040A U.S. Individual Income Tax Return (99) **2005** IRS Use Only—Do not write or staple in this space

Your first name and last name **1** 1

Your social security number **2** 2

Spouse's social security number **3** 3

ACT no. **4** 4

5 You must enter your SSN(s) above **5**

Checking a box below will not change your tax or refund **6** 6

7 Single **7**

8 Married filing jointly (even if only one had income) **8**

9 Married filing separately. Enter spouse's SSN above and full name here **9**

10 Qualifying widow(er) with dependent child (see page 13) **10**

11 Yourself. If someone can claim you as a dependent, do not check box 6a. **11**

12 Spouse **12**

13 Dependents: **13**

(1) First name Last name (2) Dependents' social security number (3) Dependents' relationship to you (4) Qualifying child for child tax credit (see page 21) **14**

15 Total number of exemptions claimed **15**

16 Wages, salaries, tips, etc. Attach Form(s) W-2. **16**

17 Taxable interest. Attach Schedule 1 if required. **17**

18 Tax-exempt interest. Do not include on line 17a. **18**

19 Ordinary dividends. Attach Schedule 1 if required. **19**

20 Qualified dividends (see page 25). **20**

21 Capital gain distributions (see page 25). **21**

22 IRA distributions. 11a **22**

23 Taxable amount (see page 25). **23**

24 Pensions and annuities. 12a **24**

25 Taxable amount (see page 25). **25**

26 Unemployment compensation and Alaska Permanent Fund dividends. 13 **26**

27 Social security benefits. 14a **27**

28 Taxable amount (see page 28). **28**

29 Add lines 7 through 14b (far right column). This is your **total income**. **29**

30 Educator expenses (see page 28). **30**

31 IRA deduction (see page 28). **31**

32 Student loan interest deduction (see page 31). **32**

33 Tuition and fees deduction (see page 32). **33**

34 Add lines 30 through 33. These are your **total adjustments**. **34**

35 Subtract line 34 from line 29. This is your **adjusted gross income**. **35**

36 For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 58. **36**

Cat No 11327A **37**

Form 1040A (2005)

Schedule 1
(Form 1040A)

Department of the Treasury—Internal Revenue Service

2005

(89)

OMB No. 1545-0074

Name(s) shown on Form 1040A

Interest and Ordinary Dividends

For Form 1040A Filers

Your social security number

Note. If you received a Form 1099-DIV, Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, enter the firm's name and the total interest shown on that form.

Part I

Interest
(See back of schedule and the instructions for Form 1040A, line 8a.)

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see back of schedule and list this interest first. Also, show that buyer's social security number and address.

Amount

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Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, enter the firm's name and the ordinary dividends shown on that form.

Part II

Ordinary dividends
(See back of schedule and the instructions for Form 1040A, line 9a.)

5	List name of payer.	Amount
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6 Add the amounts on line 5. Enter the total here and on Form 1040A, line 9a.

For Paperwork Reduction Act Notice, see Form 1040A instructions.

Cat. No. 12375R

Schedule 1 (Form 1040A) 2005

Schedule 1 (Form 1040A) 2005

Page 2



TIP
If you received interest as a nominee, you must give the actual owner a Form 1099-DIV unless the owner is your spouse. You must also file a Form 1099-DIV and a Form 1099-INT with the IRS. For more details, see the General Instructions for Forms 1099, 1098, 5498, and W-2C and Instructions for Forms 1099-DIV and 1099-INT.

Purpose of Schedule

Use Schedule 1 if any of the following apply.

- You had over \$1,500 of taxable interest (fill in Part I).
- You received interest from a seller-financed mortgage and the buyer used the property as a personal residence (fill in Part I).
- You are claiming the exclusion of interest from series EE or I U.S. savings bonds issued after 1989 (fill in Part I).
- You received interest as a nominee or a Form 1099-DIV for tax-exempt interest (fill in Part I).
- You had over \$1,500 of ordinary dividends or you received ordinary dividends as a nominee (fill in Part II).



TIP
If you need more space to list your interest or ordinary dividends, attach separate statements that are the same size as Schedule 1. Use the same format as lines 1 and 5, but show your totals on Schedule 1. Be sure to put your name and social security number on the statements and attach them at the end of your return.

Part I

Interest

Line 1

Report on line 1 all of your taxable interest. Interest should be shown on your Forms 1099-INT, Forms 1099-OID, or substitute statements. Include interest from series EE and I U.S. savings bonds. List each payer's name and show the amount.

Seller-financed mortgages. If you sold your home or other property and the buyer used the property as a personal residence, list first any interest the buyer paid you on a mortgage or other form of seller financing. Be sure to show the buyer's name, address, and social security number (SSN). You must also let the buyer know your SSN. If you do not know the buyer's name, address, and SSN, or let the buyer know your SSN, you may have to pay a \$50 penalty.

Nominees. If you received a Form 1099-DIV that includes interest you received as a nominee (that is, in your name, but the interest actually belongs to someone else), report the total on line 1. Do this even if you later distributed some or all of this income to others. Under your last entry on line 1, below this subtotal, enter "Nominee Distribution" and show the total interest you received as a nominee. Subtract this amount from the subtotal and enter the result on line 2.

Part II

Ordinary Dividends

Line 5

Report on line 5 all of your ordinary dividends. Ordinary dividends should be shown in box 1a of your Forms 1099-DIV or substitute statements. List each payer's name and show the amount.

Nominees. If you received a Form 1099-DIV that includes ordinary dividends you received as a nominee (that is, in your name, but the ordinary dividends actually belong to someone else), report the total on line 5. Do this even if you later distributed some or all of this income to others. Under your last entry on line 5, put a subtotal of all ordinary dividends listed on line 5. Below this subtotal, enter "Nominee Distribution" and show the total ordinary dividends you received as a nominee. Subtract this amount from the subtotal and enter the result on line 6.



TIP
If you received dividends as a nominee, you must give the actual owner a Form 1099-DIV unless the owner is your spouse. You must also file a Form 1099-DIV and a Form 1099-DIV with the IRS. For more details, see the General Instructions for Forms 1099, 1098, 5498, and W-2C and Instructions for Form 1099-DIV.

Part III**Dependent care benefits**

12 Enter the total amount of **dependent care benefits** you received for 2005. This amount should be shown in box 10 of your Form(s) W-2. **Do not** include amounts that were reported to you as wages in box 1 of Form(s) W-2.

13 Enter the amount forfeited or carried forward to 2006, if any. See the instructions.

14 Subtract line 13 from line 12.

15 Enter the total amount of **qualified expenses** incurred in 2005 for the care of the qualifying person(s).

16 Enter the **smaller** of line 14 or 15.

17 Enter your **earned income**. See the instructions.

18 Enter the amount shown below that applies to you.

- If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions for line 5).
- If married filing separately, see the instructions for the amount to enter.
- All others, enter the amount from line 17.

19 Enter the **smallest** of line 16, 17, or 18.

20 **Excluded benefits.** Enter here the **smaller** of the following:

- The amount from line 19, or
- \$5,000 (\$2,500 if married filing separately and you were required to enter your spouse's earned income on line 18).

21 **Taxable benefits.** Subtract line 20 from line 14. Also, include this amount on Form 1040A, line 7, in the space to the left of line 7, enter "DCB."

To claim the child and dependent care credit, complete lines 22-26 below.

22 Enter \$3,000 (\$5,000 if two or more qualifying persons).

23 Enter the amount from line 20.

24 Subtract line 23 from line 22. If zero or less, **stop**. You cannot take the credit. **Exception.** If you paid 2004 expenses in 2005, see the instructions for line 9.

25 Complete line 2 on the front of this schedule. **Do not** include in column (c) any benefits shown on line 20 above. Then, add the amounts in column (c) and enter the total here.

26 Enter the **smaller** of line 24 or 25. Also, enter this amount on line 3 on the front of this schedule and complete lines 4-11.

Schedule 2 (Form 1040A) 2005

Schedule 2
(Form 1040A)
Expenses for Form 1040A Filers **2005**

Department of the Treasury—Internal Revenue Service

OMB No. 1545-0074

Your social security number

Before you begin: You need to understand the following terms. See **Definitions** on page 1 of the separate instructions.

• Dependent care benefits • **Qualifying person(s)** • **Qualified expenses**

Part I
Persons or organizations who provided the care

1 (a) Care provider's name (b) Address number, street, apt. no., city, state, and ZIP code (c) Identifying number (SSN or EIN) (d) Amount paid (see instructions)

(If you need more space, use the bottom of page 2.)

Did you receive dependent care benefits? **No** **Yes** Complete only Part II below Complete Part III on the back next

Caution. If the care was provided in your home, you may owe employment taxes. If you do, you must use Form 1040. See **Schedule H** and its instructions for details.

2 Information about your **qualifying person(s)**. If you have more than two qualifying persons, see the instructions.

Part II
Credit for child and dependent care expenses

(a) Qualifying person's name (b) Qualifying person's social security number (c) **Qualified expenses** you incurred and paid in 2005 for the person listed in column (a)

3 Add the amounts in column (c) of line 2. **Do not** enter more than \$3,000 for one qualifying person or \$5,000 for two or more persons. If you completed Part III, enter the amount from line 26.

4 Enter your **earned income**. See the instructions.

5 If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); **all others**, enter the amount from line 4.

6 Enter the **smallest** of line 3, 4, or 5.

7 Enter the amount from Form 1040A, line 22.

8 Enter on line 8 the decimal amount shown below that applies to the amount on line 7.

If line 7 is:

Over	But not over	Decimal amount is	But not over	Decimal amount is
\$0—15,000	15,000—17,000	35	\$29,000—31,000	27
15,000—17,000	17,000—19,000	34	31,000—33,000	26
17,000—19,000	19,000—21,000	33	33,000—35,000	25
19,000—21,000	21,000—23,000	32	35,000—37,000	24
21,000—23,000	23,000—25,000	31	37,000—39,000	23
23,000—25,000	25,000—27,000	30	39,000—41,000	22
25,000—27,000	27,000—29,000	29	41,000—43,000	21
27,000—29,000		28	43,000—No limit	20

9 Multiply line 6 by the decimal amount on line 8. If you paid 2004 expenses in 2005, see the instructions.

10 Enter the amount from Form 1040A, line 28.

11 **Credit for child and dependent care expenses.** Enter the **smaller** of line 9 or line 10 here and on Form 1040A, line 29.

For Paperwork Reduction Act Notice, see Form 1040A instructions.

Cat No 107498

Schedule 2 (Form 1040A) 2005

Schedule 3 (Form 1040A) 2005 Page 2

Part III
Figure your credit

<p>10 If you checked (in Part I):</p> <p>Box 1, 2, 4, or 7 Enter:</p> <p>Box 3, 5, or 6 \$5,000</p> <p>Box 8 or 9 \$7,500</p> <p>Box 8 or 9 \$3,750</p>	<p>11 If you checked (in Part I):</p> <p>Box 2, 4, 5, 6, or 9 in Part I? Yes <input type="checkbox"/> No <input type="checkbox"/> You must complete line 11.</p> <p>Box 6, add \$5,000 to the taxable disability income of the spouse who was under age 65. Enter the total. Enter the amount from line 10 on line 12 and go to line 13.</p> <p>Box 2, 4, or 9, enter your taxable disability income.</p> <p>Box 5, add your taxable disability income to your spouse's taxable disability income. Enter the total.</p> <p>12 If you completed line 11, enter the smaller of line 10 or line 11; all others, enter the amount from line 10. 11</p>
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13 Enter the following pensions, annuities, or disability income that you (and your spouse if filing a joint return) received in 2005.

a Nontaxable part of social security benefits and

b Nontaxable veterans' pensions and

c Any other pension, annuity, or disability benefit that is excluded from income under any other provision of law (see the instructions). 13b

14 Enter the amount from Form 1040A, line 22. 14

15 If you checked (in Part I):

Box 1 or 2 Enter:

Box 3, 4, 5, 6, or 7 \$7,500

Box 8 or 9 \$10,000

Box 8 or 9 \$5,000

16 Subtract line 15 from line 14. If zero or less, enter -0-. 16

17 Enter one-half of line 16. 17

18 Add lines 13c and 17. 18

19 Subtract line 18 from line 12. If zero or less, stop; you cannot take the credit. Otherwise, go to line 20. 19

20 Multiply line 19 by 15% (.15). 20

21 Enter the amount from Form 1040A, line 28, minus any amount on Form 1040A, line 29. 21

22 Credit for the elderly or the disabled. Enter the smaller of line 20 or line 21 here and on Form 1040A, line 30. 22

Schedule 3 (Form 1040A) 2005

Schedule 3 (Form 1040A) 2005 OMB No. 1545-0074

Department of the Treasury—Internal Revenue Service

Credit for the Elderly or the Disabled (90)

Name(s) shown on Form 1040A Your social security number

You may be able to take this credit and reduce your tax if by the end of 2005:

- You were age 65 or older
- You were under age 65, you retired on permanent and total disability, and you received taxable disability income.

But you must also meet other tests. See the separate instructions for Schedule 3.

10 In most cases, the IRS can figure the credit for you. See the instructions.

Part I If your filing status is: And by the end of 2005: Check only one box:

Single, Head of household, or Qualifying widow(er)

1 You were 65 or older 1 ☐

2 You were under 65 and you retired on permanent and total disability 2 ☐

3 Both spouses were 65 or older 3 ☐

4 Both spouses were under 65, but only one spouse retired on permanent and total disability 4 ☐

5 Both spouses were under 65, and both retired on permanent and total disability 5 ☐

6 One spouse was 65 or older, and the other spouse was under 65 and retired on permanent and total disability 6 ☐

7 One spouse was 65 or older, and the other spouse was under 65 and not retired on permanent and total disability 7 ☐

8 You were 65 or older and you lived apart from your spouse for all of 2005 8 ☐

9 You were under 65, you retired on permanent and total disability, and you lived apart from your spouse for all of 2005 9 ☐

Marrried filing jointly

Marrried filing separately

Did you check box 1, 3, 7, or 8? Yes ☐ No ☐ Skip Part II and complete Part III on the back.

Part II If: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed or got a statement for tax years after 1983 and your physician signed line B on the statement, and

Statement of permanent and total disability

2 Due to your continued disabled condition, you were unable to engage in any substantial gainful activity in 2005, check this box 2 ☐

Complete this part only if you checked box 2, 4, 5, 6, or 9 above

- If you checked this box, you do not have to get another statement for 2005.
- If you did not check this box, have your physician complete the statement on page 4 of the instructions. You must keep the statement for your records.

For Paperwork Reduction Act Notice, see Form 1040A instructions. Cat. No. 12064K

Schedule 3 (Form 1040A) 2005

Department of the Treasury - Internal Revenue Service **Income Tax Return for Single and Joint Filers With No Dependents** (99) **2005**

Form 1040EZ

OMB No. 1545-0047

Last name		Your social security number	
1	2	3	4
Last name		Spouse's social security number	
5	6	7	8
Home address (number and street). If you have a P.O. box, see page 11.		City, state, and ZIP code. If you have a foreign address, see page 11.	
Act no.		You must enter your SSN(s) above	

Check here if you, or your spouse if a joint return, want \$3 to go to this fund? ☐ You ☐ Spouse

1 Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.

2 Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ.

3 Unemployment compensation and Alaska Permanent Fund dividends (see page 13).

4 Add lines 1, 2, and 3. This is your adjusted gross income.

5 If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back.

☐ You ☐ Spouse

6 Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-.

7 Federal income tax withheld from box 2 of your Form(s) W-2.

8a Earned income credit (EIC).

b Nonrefundable combat pay election.

9 Add lines 7 and 8a. These are your total payments.

10 Tax. Use the amount on line 6 above to find your tax in the tax table on pages 24-32 of the booklet. Then, enter the tax from the table on this line.

11a If line 9 is larger than line 10, subtract line 10 from line 9. This is your refund.

b Rounding number.

c Type ☐ Checking ☐ Savings

d Account number.

12 If line 10 is larger than line 9, subtract line 9 from line 10. This is the amount you owe. For details on how to pay, see page 19.

Do you want to allow another person to discuss this return with the IRS (see page 19)? ☐ Yes. Complete the following. ☐ No.

Designee's name, phone no., and personal identification number (PIN).

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurate; I am the preparer, and I am not a partner in the business of the preparer, and I am not a partner in the business of the preparer.

On all information of which the preparer has any knowledge.

Your signature, date, and daytime phone number.

Spouse's signature, date, and daytime phone number.

Preparer's signature, date, and daytime phone number.

Use this form if

- Your filing status is single or married filing jointly. If you are not sure about your filing status, see page 11.
- You (and your spouse if married filing jointly) were under age 65 and not blind at the end of 2005. If you were born on January 1, 1941, you are considered to be age 65 at the end of 2005.
- You do not claim any dependents. For information on dependents, use TeleTax topic 354 (see page 6).
- Your taxable income (line 6) is less than \$100,000.
- You do not claim any adjustments to income. For information on adjustments to income, use TeleTax topics 451-458 (see page 6).
- The only tax credit you can claim is the earned income credit. For information on credits, use TeleTax topics 601-608 and 610 (see page 6).
- You had only wages, salaries, tips, taxable scholarship or fellowship grants, unemployment compensation, or Alaska Permanent Fund dividends, and your taxable interest was not over \$1,500. But if you earned tips, including allocated tips, that are not included in box 5 and box 7 of your Form W-2, you may not be able to use Form 1040EZ (see page 12). If you are planning to use Form 1040EZ for a child who received Alaska Permanent Fund dividends, see page 13.
- You did not receive any advance earned income credit payments. If you cannot use this form, use TeleTax topic 352 (see page 6).

Filling in your return

If you received a scholarship or fellowship grant or tax-exempt interest income, such as on municipal bonds, see the booklet before filling in the form. Also, see the booklet if you received a Form 1099-INT showing federal income tax withheld or if federal income tax was withheld from your unemployment compensation or Alaska Permanent Fund dividends.

For tips on how to avoid common mistakes, see page 20.

Remember, you must report all wages, salaries, and tips even if you do not get a Form W-2 from your employer. You must also report all your taxable interest, including interest from banks, savings and loans, credit unions, etc., even if you do not get a Form 1099-INT.

Worksheet for dependents who checked one or both boxes on line 5

Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married filing jointly) as a dependent, even if that person chooses not to do so. To find out if someone can claim you as a dependent, use TeleTax topic 354 (see page 6).

- A. Amount, if any, from line 1 on front ☐ A. ☐ B. ☐ C. ☐ D. ☐ E. ☐ F. ☐
- B. Is line A more than \$550? ☐ Yes. Add \$250 to line A. Enter the total. ☐ No. Enter \$800.
- C. If single, enter \$5,000; if married filing jointly, enter \$10,000.
- D. Enter the smaller of line B or line C here. This is your standard deduction.
- E. Exemption amount.
- If single, enter -0-.
- If married filing jointly and you checked — both boxes on line 5, enter -0-.
- only one box on line 5, enter \$3,200.

F. Add lines D and E. Enter the total here and on line 5 on the front.

- If you did not check any boxes on line 5, enter on line 5 the amount shown below that applies to you.
- Single, enter \$8,200. This is the total of your standard deduction (\$5,000) and your exemption (\$3,200).
 - Married filing jointly, enter \$16,400. This is the total of your standard deduction (\$10,000), your exemption (\$3,200), and your spouse's exemption (\$3,200).

Mailing return

Mail your return by April 17, 2006. Use the envelope that came with your booklet. If you do not have that envelope or if you moved during the year, see the back cover for the address to use.

Part I Interest
 (See page B-1 and the instructions for Form 1040, line 8a.)

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address. ▶

Payer's name and address	Amount
1	
2	
3	
4	

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

2 Add the amounts on line 1. ▶

3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815. ▶

4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a. ▶

Note. If line 4 is over \$1,500, you must complete Part III.

5 List name of payer. ▶

Part II Ordinary Dividends
 (See page B-1 and the instructions for Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

Payer's name and address	Amount
5	

6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a. ▶

Note. If line 6 is over \$1,500, you must complete Part III.

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends, or (b) had a foreign account, or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Part III Foreign Accounts and Trusts
 (See page B-2.)

7a At any time during 2005, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1. ▶

b If "Yes," enter the name of the foreign country. ▶

8 During 2005, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2. ▶

For Paperwork Reduction Act Notice, see Form 1040 instructions. Schedule B (Form 1040) 2005

Schedule A—Itemized Deductions
 (Schedule B is on back)

Medical and Dental Expenses
 1 Medical and dental expenses (see page A-2). ▶
 2 Enter amount from Form 1040, line 38. ▶
 3 Multiply line 2 by 7.5% (.075). ▶
 4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-. ▶

Taxes You Paid
 5 State and local (check only one box)
 a ☐ Income taxes, or
 b ☐ General sales taxes (see page A-3). ▶
 6 Real estate taxes (see page A-5). ▶
 7 Personal property taxes. ▶
 8 Other taxes. List type and amount. ▶

9 Add lines 5 through 8. ▶

Interest
 10 Home mortgage interest and points reported to you on Form 1098. ▶
 11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address. ▶

Note. Personal interest is not deductible.

12 Points not reported to you on Form 1098. See page A-6 for special rules. ▶

13 Investment interest. Attach Form 4952, if required. (See page A-6). ▶

14 Add lines 10 through 13. ▶

Gifts to Charity
 15a Total gifts by cash or check. If you made any gift of \$250 or more, see page A-7. ▶
 b Gifts by cash or check after August 27, 2005, that you elect to treat as qualified contributions (see page A-7). 15b. ▶
 16 Other than by cash or check. If any gift of \$250 or more, see page A-7. You must attach Form 8283 if over \$500. ▶
 17 Carryover from prior year. ▶
 18 Add lines 15a, 16, and 17. ▶

Casualty and Theft Losses
 19 Casualty or theft losses. Attach Form 4684. (See page A-8). ▶

Job Expenses and Certain Miscellaneous Deductions
 20 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ, if required. (See page A-8). ▶
 21 Tax preparation fees. ▶
 22 Other expenses—investment, safe deposit box, etc. List type and amount. ▶
 23 Add lines 20 through 22. ▶
 24 Enter amount from Form 1040, line 38. ▶
 25 Multiply line 24 by 2% (.02). ▶
 26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-. ▶

27 Other—From list on page A-9. List type and amount. ▶

Total Itemized Deductions
 28 Is Form 1040, line 38, over \$145,950 (over \$72,975 if married filing separately)?
☐ No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also enter this amount on Form 1040, line 40. ▶
☐ Yes. Your deduction may be limited. See page A-9 for the amount to enter. ▶

29 If you elect to itemize deductions even though they are less than your standard deduction, check here. ▶

For Paperwork Reduction Act Notice, see Form 1040 instructions. Schedule A (Form 1040) 2005

Net Profit From Business (Sole Proprietorship)

SCHEDULE C-EZ
(Form 1040)

- Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.
► Attach to Form 1040 or 1041. ► See instructions on back.

Attachment
Sequence No. **09A**
Social security number (SSN)

Name of proprietor

Part I General Information

You May Use Schedule C-EZ Instead of Schedule C Only if You:

- Had business expenses of \$5,000 or less
 - Use the cash method of accounting
 - Did not have an inventory at any time during the year
 - Did not have a net loss from your business
 - Had only one business as either a sole proprietor or statutory employee
- And You:**
- Had no employees during the year
 - Are not required to file Form 4562, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, on page C-4 to find out if you must file
 - Do not deduct expenses for business use of your home
 - Do not have prior year unallowed passive activity losses from this business

B. Enter code from pages C-8, 9, & 10

D. Employer ID number (EIN), if any

- A** Principal business or profession, including product or service
- C** Business name. If no separate business name, leave blank
- E** Business address (including suite or room no.). Address not required if same as on Form 1040, page 1

City, town or post office, state, and ZIP code

Part II Figure Your Net Profit

- Gross receipts. Caution.** If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see **Statutory Employees** in the instructions for Schedule C, line 1, on page C-3 and check here.
- Total expenses** (see instructions). If more than \$5,000, you must use Schedule C.
- Net profit.** Subtract line 2 from line 1. If less than zero, you must use Schedule C. Enter on Form 1040, line 12, and also on Schedule SE, line 2. (Statutory employees do not report this amount on Schedule SE, line 2. Estates and trusts enter on Form 1041, line 3.)

Part III Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 2.

- When did you place your vehicle in service for business purposes? (month, day, year) / /
- Of the total number of miles you drove your vehicle during 2005, enter the number of miles you used your vehicle for:

a. Business	b. Commuting (see instructions)	c. Other
-------------	---------------------------------	----------
- Do you (or your spouse) have another vehicle available for personal use? Yes ☐ No ☐
- Was your vehicle available for personal use during off-duty hours? Yes ☐ No ☐
- Do you have evidence to support your deduction? Yes ☐ No ☐
- If "Yes" is the evidence written? Yes ☐ No ☐

For Paperwork Reduction Act Notice, see page 2. Cat No 43740 Schedule C-EZ (Form 1040) 2005

Instructions

You can use Schedule C-EZ instead of Schedule C if you operated a business or practiced a profession as a sole proprietorship or you were a statutory employee and you have met all the requirements listed in Schedule C-EZ, Part I.

Line A

Describe the business or professional activity that provided your principal source of income reported on line 1. Give the general field or activity and the type of product or service.

Line B

Enter the six-digit code that identifies your principal business or professional activity. See pages C-3 through C-10 of the Instructions for Schedule C for the list of codes.

Line D

You need an employer identification number (EIN) only if you had a qualified retirement plan or were required to file an employment, excise, estate, trust, or alcohol, tobacco, and firearms tax return. If you need an EIN, see the instructions for Form SS-4. If you do not have an EIN, leave line D blank. Do not enter your SSN.

Line E

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any.

Line 1

Enter gross receipts from your trade or business. Include amounts you received in your trade or business that were properly shown on Forms 1099-MISC. If the total amounts that were reported in box 7 of Forms 1099-MISC are more than the total you are reporting on line 1, attach a statement explaining the difference. You must show all items of taxable income actually or constructively received during the year (in cash, property, or services). Income is constructively received when it is credited to your account or set aside for you to use. Do not offset this amount by any losses.

Line 2

Enter the total amount of all deductible business expenses you actually paid during the year. Examples of these expenses include advertising, car and truck expenses, commissions and fees, insurance, interest, legal and professional services, office expense, rent or lease expenses, repairs and maintenance, supplies, taxes, travel, the allowable percentage of business meals and entertainment.

and utilities (including telephone). For details, see the instructions for Schedule C, Parts II and V, on pages C-3 through C-7. If you wish, you can use the optional worksheet below to record your expenses. Enter on lines b through g the type and amount of expenses not included on line a. If you claim car or truck expenses, be sure to complete Schedule C-EZ, Part III.

Line 5b

Generally, commuting is travel between your home and a work location. If you converted your vehicle during the year from personal to business use (or vice versa), enter your commuting miles only for the period you drove your vehicle for business. For information on certain travel that is considered a business expense rather than commuting, see the instructions for Form 2106.

Paperwork Reduction Act Notice. We ask for the

information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is approved under OMB control number 1545-1973 and is shown below.

Recordkeeping 45 min

Learning about the law

or the form 4 min

Preparing the form 35 min

Copying, assembling, and sending the form to the IRS 20 min

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Optional Worksheet for Line 2 (keep a copy for your records)

a. Deductible business meals and entertainment (see page C-5)

b

c

d

e

f

g

h. Total. Add lines a through g. Enter here and on line 2

SCHEDULE D **(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Attachment
Sequence No. 12

▶ Attach to Form 1040. ▶ See instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

Name(s) shown on Form 1040

Your social security number

Part III **Summary**

16 Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, and then go to line 17 below.

17 Are lines 15 and 16 both gains?

- ☐ Yes. Go to line 18.
☐ No. Skip lines 18 through 21, and go to line 22.

18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet on page D-7 of the instructions.

19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet on page D-8 of the instructions.

20 Are lines 18 and 19 both zero or blank?

- ☐ Yes. Complete Form 1040 through line 43, and then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the instructions for Form 1040. Do not complete lines 21 and 22 below.
☐ No. Complete Form 1040 through line 43, and then complete the Schedule D Tax Worksheet on page D-9 of the instructions. Do not complete lines 21 and 22 below.

21 If line 18 is a loss, enter here and on Form 1040, line 13, the smaller of

- The loss on line 16 or
- (\$3,000), or if married filing separately, (\$1,500)

Note. When figuring which amount is smaller, treat both amounts as positive numbers.

22 Do you have qualified dividends on Form 1040, line 9b?

- ☐ Yes. Complete Form 1040 through line 43, and then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the instructions for Form 1040.
☐ No. Complete the rest of Form 1040.

SCHEDULE D **(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Attachment
Sequence No. 12

▶ Attach to Form 1040. ▶ See instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

Name(s) shown on Form 1040

Your social security number

Part I **Short-Term Capital Gains and Losses—Assets Held One Year or Less**

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1					
2					
3					
4					
5					
6					
7					

Part II **Long-Term Capital Gains and Losses—Assets Held More Than One Year**

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) (Subtract (e) from (d))
8					
9					
10					
11					
12					
13					
14					
15					

Schedule E (Form 1040) 2005

Attachment Sequence No 13

Page 2

Name(s) shown on return

Do not enter name and social security number if shown on other side

Your social security number

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedules K-1

Income or Loss From Partnerships and S Corporations

Note: If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6199. See page E-1.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expense? If you answered "Yes," see page E-6 before completing this section.

Yes No

	(a) Name	(b) Enter P for partnership, S for S corporation, or foreign partnership	(c) Check if foreign partnership	(d) Employee identification number	(e) Check if any amount is not at risk
28					
A					
B					
C					
D					

Passive Income and Loss

(f) Passive loss allowed (attach Form 8582 if required)

(g) Taxable income from Schedule K-1

(h) Nonpassive loss from Schedule K-1

(i) Section 179 expense deduction from Form 4582

(j) Long-term capital gain from Schedule K-1

29a Totals					
b Totals					
30 Add columns (g) and (i) of line 29a					
31 Add columns (f), (h), and (i) of line 29b					
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below					

Part III Income or Loss From Estates and Trusts

(a) Name

(b) Employee identification number

33					
A					
B					

Passive Income and Loss

(c) Passive deduction or loss allowed (attach Form 8582 if required)

(d) Passive income from Schedule K-1

(e) Deduction or loss from Schedule K-1

(f) Other income from Schedule K-1

34a Totals					
b Totals					
35 Add columns (c) and (f) of line 34a					
36 Add columns (c) and (e) of line 34b					
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below					

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

(a) Name

(b) Employee identification number

(c) Excess inclusion from Schedules Q, line 2c (see page E-6)

(d) Taxable income (net loss) from Schedules Q, line 2b

(e) Income from Schedules Q, line 2b

38					
39					

Part V Summary

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below

41 Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17

42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7, Schedule K-1 (Form 1085), box 14, code B, Schedule K-1 (Form 1120S), box 17, code N, and Schedule K-1 (Form 1041), line 14, code F (see page E-7)

43 Reconciliation for real estate professionals. If you were a real estate professional (see page E-1), enter the net income or (loss) you reported anywhere on Form 1040 from all rental real estate activities in which you materially participated under the passive activity loss rules

Schedule E (Form 1040) 2005

Schedule E (Form 1040)

Department of the Treasury Internal Revenue Service

OMB No. 1545-0074

2005

Attachment Sequence No. 13

Name(s) shown on return

Your social security number

Part I Income or Loss From Rental Real Estate and Royalties

Schedule C or C-EZ (see page E-3). Report farm rental income or loss from Form 4835 on page 2, line 40.

Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). Report farm rental income or loss from Form 4835 on page 2, line 40.

1 List the type and location of each rental real estate property:

2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of

• 14 days or

• 10% of the total days rented at fair rental value?

(See page E-3.)

Yes No

	A	B	C	Totals
			(Add columns A, B, and C)	
3 Rents received				3
4 Royalties received				4
5 Advertising				
6 Auto and travel (see page E-4)				
7 Cleaning and maintenance				
8 Commissions				
9 Insurance				
10 Legal and other professional fees				
11 Management fees				
12 Mortgage interest paid to banks, etc. (see page E-4)				12
13 Other interest				
14 Repairs				
15 Supplies				
16 Taxes				
17 Utilities				
18 Other (list) ▶				
19 Add lines 5 through 18				19
20 Depreciation expense or depletion (see page E-4)				
21 Total expenses. Add lines 19 and 20				20
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6199.				
23 Deductible rental real estate loss. Caution: Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 6199. Real estate professionals must complete line 43 on page 2.				
24 Income. Add positive amounts shown on line 22. Do not include any losses.				
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here				24
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here if Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17. Otherwise, include this amount in the total on line 41 on page 2.				25
				26

For Paperwork Reduction Act Notice, see page E-7 of the instructions.

Cat. No. 11344L

Schedule E (Form 1040) 2005

SCHEDULE EIC (Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service
(99)



OMB No. 1545-0074

2005

Attachment
Sequence No. 43

Complete and attach to Form 1040A or 1040
only if you have a qualifying child

Your social security number

Earned Income Credit Qualifying Child Information

Before you begin:

See the instructions for Form 1040A, lines 41a and 41b, or Form 1040, lines 66a and 66b, to make sure that you can take the EIC and (b) you have a qualifying child.

- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.



Qualifying Child Information

Child 1

1 Child's name	First name	Last name	First name	Last name
If you have more than two qualifying children, you only have to list two to get the maximum credit				
2 Child's SSN	Year	Year	Year	Year
The child must have an SSN as defined on page 44 of the Form 1040A instructions or page 48 of the Form 1040 instructions unless the child was born and died in 2005. If your child was born and died in 2005 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.	If born after 1987, skip lines 4a and 4b.	If born after 1987, skip lines 4a and 4b.	If born after 1987, skip lines 4a and 4b.	If born after 1987, skip lines 4a and 4b.
3 Child's year of birth	Year	Year	Year	Year
	If born after 1987, skip lines 4a and 4b.	If born after 1987, skip lines 4a and 4b.	If born after 1987, skip lines 4a and 4b.	If born after 1987, skip lines 4a and 4b.

4 If the child was born before 1987—

a Was the child under age 24 at the end of 2005 and a student?	Yes	No	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Go to line 5.	Continue	Go to line 5.	Continue
b Was the child permanently and totally disabled during any part of 2005?	Yes	No	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Continue	The child is not a qualifying child.	Continue	The child is not a qualifying child.

5 Child's relationship to you

(for example, son, daughter, grandchild, niece, nephew, foster child, etc.)

6 Number of months child lived with you in the United States during 2005

- If the child lived with you for more than half of 2005 but less than 7 months, enter "7."
- If the child was born or died in 2005 and your home was the child's home for the entire time he or she was alive during 2005, enter "12."

You may also be able to take the additional child tax credit if your child (e) was under age 17 at the end of 2005, and (f) is a U.S. citizen or resident alien. For more details, see the instructions for line 42 of Form 1040A or line 68 of Form 1040.



For Paperwork Reduction Act Notice, see Form 1040A or 1040 instructions.

Cat. No. 13339M

Schedule EIC (Form 1040A or 1040) 2005

Purpose of Schedule

The purpose of this schedule is to give the IRS information about your qualifying child after you have figured your earned income credit (EIC).

To figure the amount of your credit or to have the IRS figure it for you, see the instructions for Form 1040A, lines 41a and 41b, or Form 1040, lines 66a and 66b 10 years. You may also have to pay penalties

Taking the EIC when not eligible. If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. You may also have to pay penalties

Qualifying Child

A qualifying child is a child who is your . . .

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)



was . . .

Under age 19 at the end of 2005

or

Under age 24 at the end of 2005 and a student

or

Any age and permanently and totally disabled



who . . .

Lived with you in the United States for more than half of 2005. If the child did not live with you for the required time, see Exception to "lived with you" condition on page 43 of the Form 1040A instructions or page 48 of the Form 1040 instructions.



If the child was married or meets the conditions to be a qualifying child of another person (other than your spouse if filing a joint return), special rules apply. For details, see page 44 of the Form 1040A instructions or page 48 of the Form 1040 instructions.



Do you want part of the EIC added to your take-home pay in 2006? To see if you qualify, get Form W-5 from your employer, call the IRS at 1-800-TAX-FORM (1-800-829-3876), or go to www.irs.gov.

A Principal product. Describe in one or two words your principal crop or activity for the current tax year.

C Accounting method (1) ☐ Cash (2) ☐ Accrual

B Enter code from Part IV

D Employer ID number (EIN), if any

Social security number (SSN)

E Did you "materially participate" in the operation of this business during 2005? If "No," see page F-2 for limit on passive losses. ☐ Yes ☐ No

Part I Farm Income—Cash Method. Complete Parts I and II (Accrual Method. Complete Parts II and III, and Part I, line 11.)
Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale.	1		2	
2	Cost or other basis of livestock and other items reported on line 1.	3			
3	Subtract line 2 from line 1.	4			
4	Sales of livestock, produce, grains, and other products you raised.	5a		5b	
5a	Cooperative distributions (Form 1099-PATR).	5a		5b	Taxable amount
5b	Agricultural program payments (see page F-2).	6a		6b	Taxable amount
6a	Commodity Credit Corporation (CCC) loans (see page F-3).	7			
7	CCC loans reported under election	7a		7c	
a	CCC loans reported under election	7b		7c	Taxable amount
b	CCC loans forfeited.	8		8b	
8	Crop insurance proceeds and Federal crop disaster payments (see page F-3).	8a		8b	Taxable amount
a	Amount received in 2005.	8a		8b	Taxable amount
c	If election to defer to 2006 is attached, check here <input type="checkbox"/> 8d Amount deferred from 2004.	8d		9	
9	Custom hire (machine work) income.	9		10	
10	Other income, including Federal and state gasoline or fuel tax credit or refund (see page F-3).	10		11	
11	Gross income. Add amounts in the right column for lines 3 through 10. If you use the accrual method, enter the amount from Part III, line 51.	11			

Part II Farm Expenses—Cash and Accrual Method.
Do not include personal or living expenses such as taxes, insurance, repairs, etc., on your home.

12	Car and truck expenses (see page F-4—also attach Form 4562).	12		25	Pension and profit-sharing plans	25	
13	Chemicals	13		26	Rent or lease (see page F-5):		
14	Conservation expenses (see page F-4).	14		a	Vehicles, machinery, and equipment	26a	
15	Custom hire (machine work)	15		b	Other (land, animals, etc.)	26b	
16	Depreciation and section 179 expense deduction not claimed elsewhere (see page F-4).	16		27	Repairs and maintenance	27	
17	Employee benefit programs other than on line 25.	17		28	Seeds and plants	28	
18	Feed	18		29	Storage and warehousing	29	
19	Fertilizers and lime	19		30	Supplies	30	
20	Freight and trucking	20		31	Taxes	31	
21	Gasoline fuel, and oil	21		32	Utilities	32	
22	Insurance (other than health)	22		33	Veterinary, feeding, and medicine	33	
23	Interest	23a		34	Other expenses (specify)	34a	
a	Mortgage (paid to banks, etc.)	23b				34b	
b	Other	23c				34c	
24	Losses from employee thefts	24				34d	
25	Total expenses. Add lines 12 through 34f.	25				34e	
35		35				34f	
36	Net farm profit or (loss). Subtract line 35 from line 11.	36					

37a ☐ All investment is at risk.
37b ☐ Some investment is at risk.
37c ☐ All investment is not at risk.

Schedule F (Form 1040) 2005

Page 2

Part III Farm Income—Accrual Method (see page F-6).
Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and do not include this livestock on line 46 below.

38	Sales of livestock, produce, grains, and other products	38	
39a	Cooperative distributions (Form 1099-PATR).	39a	
39b	Taxable amount	39b	
40a	Agricultural program payments	40a	
40b	Taxable amount	40b	
41	Commodity Credit Corporation (CCC) loans	41a	
a	CCC loans reported under election	41a	
b	CCC loans forfeited	41b	
41c	Taxable amount	41c	
42	Crop insurance proceeds	42	
43	Custom hire (machine work) income	43	
44	Other income, including Federal and state gasoline or fuel tax credit or refund	44	
45	Add amounts in the right column for lines 38 through 44	45	
46	Inventory of livestock, produce, grains, and other products at beginning of the year	46	
47	Cost of livestock, produce, grains, and other products purchased during the year	47	
48	Add lines 46 and 47	48	
49	Inventory of livestock, produce, grains, and other products at end of year	49	
50	Cost of livestock, produce, grains, and other products sold. Subtract line 49 from line 48.	50	
51	Gross income. Subtract line 50 from line 45. Enter the result here and on Part I, line 11.	51	

If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 49 is larger than the amount on line 48, subtract line 48 from line 49. Enter the result on line 50. Add lines 45 and 50. Enter the total on line 51 and on Part I, line 11.

Part IV Principal Agricultural Activity Codes

CAUTION

File Schedule C (Form 1040) or Schedule C-EZ (Form 1040) instead of Schedule F if (a) your principal source of income is from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis, or (b) you are engaged in the business of breeding, raising, and caring for dogs, cats, or other pet animals.

111300

Fruit and tree nut farming

111400

Greenhouse, nursery, and floriculture production

111900

Other crop farming

Animal Production

112111

Beef cattle ranching and farming

112112

Cattle feedlots

112120

Dairy cattle and milk production

112210

Hog and pig farming

112300

Poultry and egg production

112400

Sheep and goat farming

112510

Animal aquaculture

112900

Other animal production

Forestry and Logging

113000

Forestry and logging (including forest nurseries and timber tracts)

Crop Production

111100

Offseed and grain farming

111210

Vegetable and melon farming

Page 2

Schedule H (Form 1040) 2005

Part II Federal Unemployment (FUTA) Tax

10 Did you pay unemployment contributions to only one state? (If you paid contributions to New York State, check "No.")

11 Did you pay all state unemployment contributions for 2005 by April 17, 2006? Fiscal year filers, see page H-4.

12 Were all wages that are taxable for FUTA tax also taxable for your state's unemployment tax?

Next: If you checked the "Yes" box on all the lines above, complete Section A. If you checked the "No" box on any of the lines above, skip Section A and complete Section B.

Section A

13 Name of the state where you paid unemployment contributions

14 State reporting number as shown on state unemployment tax return

15 Contributions paid to your state unemployment fund (see page H-4)

16 Total cash wages subject to FUTA tax (see page H-4)

17 FUTA tax. Multiply line 16 by .008. Enter the result here. Skip Section B and go to line 26.

18 Complete all columns below that apply (if you need more space, see page H-5).

(a) Name of state

(b) State reporting number

(c) Taxable wages (as shown on state unemployment tax return)

(d) State experience rate period

(e) State experience rate

(f) Multiply (c) by (e)

(g) Multiply (f) by .054

(h) Subtract (g) from (f). Enter the result here. If the result is zero or less, enter -0.

(i) Contributions paid to state unemployment fund

19 Totals

20 Add columns (h) and (i) of line 19

21 Total cash wages subject to FUTA tax (see the line 15 instructions on page H-4)

22 Multiply line 21 by 6.2% (.062)

23 Multiply line 21 by 5.4% (.054)

24 Enter the smaller of line 20 or line 23. (New York State employers must use the worksheet in the separate instructions and check here.)

25 FUTA tax. Subtract line 24 from line 22. Enter the result here and go to line 26.

Part III Total Household Employment Taxes

26 Enter the amount from line 8

27 Add line 17 (or line 25) and line 26

28 Are you required to file Form 1040?

Yes. Stop. Enter the amount from line 27 above on Form 1040, line 62. Do not complete Part IV below.

No. You may have to complete Part IV. See page H-5 for details.

Part IV Address and Signature—Complete this part only if required. See the line 28 instructions on page H-5.

Address (number and street or P.O. box, if mail is not delivered to street address)

City, town or post office, state, and ZIP code

Under penalties of perjury, I declare that I have examined this schedule, including accompanying statements and to the best of my knowledge and belief, it is true, correct, and complete. No part of any payment made to a state unemployment fund claimed as a credit was or is to be deducted from the payments to employees.

Employer's signature

Date

Schedule H (Form 1040) 2005

SCHEDULE H (Form 1040) Household Employment Taxes

(For Social Security, Medicare, Withheld Income and Federal Unemployment (FUTA) Taxes)

OMB No. 1545-1971

2005 Attachment Sequence No. 44

Attach to Form 1040, 1040NR, 1040-SS, or 1041. See separate instructions.

Name of employer

Social security number

Employer identification number

A Did you pay any one household employee cash wages of \$1,400 or more in 2005? (If any household employee was your spouse, your child under age 21, your parent, or anyone under age 18, see the line A instructions on page H-3 before you answer this question.)

Yes. Skip lines B and C and go to line 1.

No. Go to line B.

B Did you withhold federal income tax during 2005 for any household employee?

Yes. Skip line C and go to line 5.

No. Go to line C.

C Did you pay total cash wages of \$1,000 or more in any calendar quarter of 2004 or 2005 to all household employees? (Do not count cash wages paid in 2004 or 2005 to your spouse, your child under age 21, or your parent.)

No. Stop. Do not file this schedule.

Yes. Skip lines 1-9 and go to line 10 on the back. (Calendar year taxpayers having no household employees in 2005 do not have to complete this form for 2005.)

Part I Social Security, Medicare, and Income Taxes

1 Total cash wages subject to social security taxes (see page H-4)

2 Social security taxes. Multiply line 1 by 12.4% (.124).

3 Total cash wages subject to Medicare taxes (see page H-4)

4 Medicare taxes. Multiply line 3 by 2.9% (.029).

5 Federal income tax withheld, if any.

6 Total social security, Medicare, and income taxes (add lines 2, 4, and 5).

7 Advance earned income credit (EIC) payments, if any.

8 Net taxes (subtract line 7 from line 6).

9 Did you pay total cash wages of \$1,000 or more in any calendar quarter of 2004 or 2005 to household employees? (Do not count cash wages paid in 2004 or 2005 to your spouse, your child under age 21, or your parent.)

No. Stop. Enter the amount from line 8 above on Form 1040, line 62. If you are not required to file Form 1040, see the line 9 instructions on page H-4.

Yes. Go to line 10 on the back.

For Privacy Act and Paperwork Reduction Act Notice, see page 7 of the separate instructions. Cat. No. 12187K. Schedule H (Form 1040) 2005

Credit for the Elderly or the Disabled

Schedule R (Form 1040) **OMB No. 1545-0074**
 Department of the Treasury
 Internal Revenue Service (98)
 Name(s) shown on Form 1040
2005 Attachment Sequence No. 18
 Attach to Form 1040. See Instructions for Schedule R (Form 1040).
 Your social security number

You may be able to take this credit and reduce your tax if by the end of 2005:

- You were age 65 or older or
- You were under age 65, you retired on permanent and total disability, and you received taxable disability income.

But you must also meet other tests. See page R-1.

Part I In most cases, the IRS can figure the credit for you. See page R-1.

Check the Box for Your Filing Status and Age

If your filing status is: And by the end of 2005: Check only one box:

- Single,
Head of household, or
Qualifying widow(er)
- 1 You were 65 or older ☐ 1
- 2 You were under 65 and you retired on permanent and total disability ☐ 2

- 3 Both spouses were 65 or older ☐ 3

- 4 Both spouses were under 65, but only one spouse retired on permanent and total disability ☐ 4

- 5 Both spouses were under 65, and both retired on permanent and total disability ☐ 5

- 6 One spouse was 65 or older, and the other spouse was under 65 and retired on permanent and total disability ☐ 6

- 7 One spouse was 65 or older, and the other spouse was under 65 and not retired on permanent and total disability ☐ 7

- 8 You were 65 or older and you lived apart from your spouse for all of 2005 ☐ 8

- 9 You were under 65, you retired on permanent and total disability, and you lived apart from your spouse for all of 2005 ☐ 9

Did you check box 1, 3, 7, or 8? ☐ Yes ☐ No

Skip Part II and complete Part III on back. Complete Parts II and III.

Part II Statement of Permanent and Total Disability (Complete only if you checked box 2, 4, 5, 6, or 9 above.)

If: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed or got a statement for tax years after 1983 and your physician signed line B on the statement, and

2 Due to your continued disabled condition, you were unable to engage in any substantial gainful activity in 2005, check this box ☐

If you checked this box, you do not have to get another statement for 2005.

If you did not check this box, have your physician complete the statement on page R-4. You must keep the statement for your records.

For Paperwork Reduction Act Notice, see Form 1040 Instructions

Cat. No. 11359K

Schedule R (Form 1040) 2005

Part III Figure Your Credit

10 If you checked (in Part I):
 Box 1, 2, 4, or 7 Enter: \$5,000
 Box 3, 5, or 6 \$7,500
 Box 8 or 9 \$3,750

Did you check box 2, 4, 5, 6, or 9 in Part I? ☐ Yes ☐ No
 You must complete line 11. Enter the amount from line 10 on line 12 and go to line 13.

11 If you checked (in Part I):

- Box 6, add \$5,000 to the taxable disability income of the spouse who was under age 65. Enter the total.
- Box 2, 4, or 9, enter your taxable disability income.
- Box 5, add your taxable disability income to your spouse's taxable disability income. Enter the total.

For more details on what to include on line 11, see page R-3.

12 If you completed line 11, enter the smaller of line 10 or line 11; all others, enter the amount from line 10

13 Enter the following pensions, annuities, or disability income that you (and your spouse if filing a joint return) received in 2005:

a Nontaxable part of social security benefits and Nontaxable part of railroad retirement benefits treated as social security (see page R-3).

b Nontaxable veterans' pensions and Any other pension, annuity, or disability benefit that is excluded from income under any other provision of law (see page R-3).

c Add lines 13a and 13b. (Even though these income items are not taxable, they must be included here to figure your credit.) If you did not receive any of the types of nontaxable income listed on line 13a or 13b, enter -0- on line 13c

14 Enter the amount from Form 1040, line 38

15 If you checked (in Part I):
 Box 1 or 2 Enter: \$7,500
 Box 3, 4, 5, 6, or 7 \$10,000
 Box 8 or 9 \$5,000

16 Subtract line 15 from line 14. If zero or less, enter -0-

17 Enter one-half of line 16

18 Add lines 13c and 17

19 Subtract line 18 from line 12. If zero or less, stop; you cannot take the credit. Otherwise, go to line 20

20 Multiply line 19 by 15% (.15)

21 Enter the amount from Form 1040, line 46

22 Add the amounts from Form 1040, lines 47 and 48, and enter the total

23 Subtract line 22 from line 21

24 Credit for the elderly or the disabled. Enter the smaller of line 20 or line 23 here and on Form 1040, line 49

SCHEDULE SE
(Form 1040)

OMB No. 1545-0074
2005
Attachment
Sequence No. 17

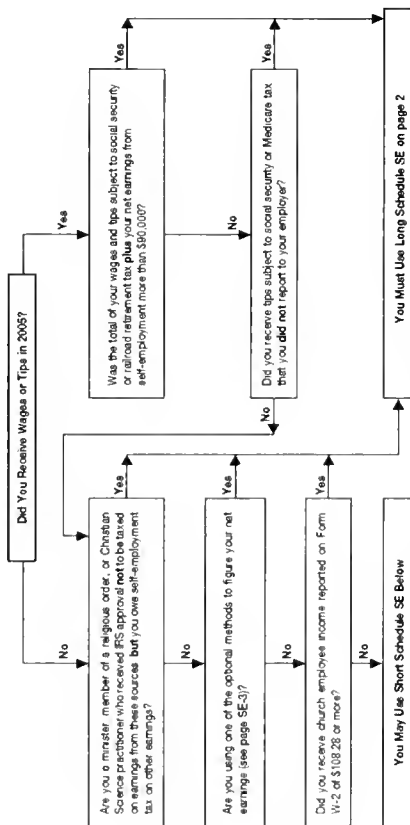
Decedent's or the Trustor's
Personal Return Service (PRS)
Name of person with self-employment income (as shown on Form 1040) ▶ Attach to Form 1040. ▶ See Instructions for Schedule SE (Form 1040).
Social security number of person with self-employment income ▶

Self-Employment Tax

Who Must File Schedule SE

- You must file Schedule SE if
- You had net earnings from self-employment from **other** than church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **or**
 - You had church employee income of \$108.28 or more, **or** income from services you performed as a minister or a member of a religious order is **not** church employee income (see page SE-1).
- Note.** Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-3).
- Exception.** If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 58.

May I Use Short Schedule SE or Must I Use Long Schedule SE?



Section A—Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1
2	Net profit or (loss) from Schedule C, line 31, Schedule C-EZ, line 3, Schedule K-1 (Form 1065), box 14, code A (other than farming), and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report.	2
3	Combine lines 1 and 2	3
4	Net earnings from self-employment. Multiply line 3 by 92.35% (92.35). If less than \$400, do not file this schedule. You do not owe self-employment tax.	4
5	Self-employment tax. If the amount on line 4 is: • \$90,000 or less, multiply line 4 by 15.3% (15.3). Enter the result here and on Form 1040, line 58. • More than \$90,000, multiply line 4 by 2.9% (2.9). Then, add \$11,160.00 to the result. Enter the total here and on Form 1040, line 58.	5
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (5). Enter the result here and on Form 1040, line 27.	6

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Cat. No. 11358Z

Schedule SE (Form 1040) 2005

Schedule SE (Form 1040) 2005
Name of person with self-employment income (as shown on Form 1040)
Attachment Sequence No. 17
Page 2

Section B—Long Schedule SE

Part I Self-Employment Tax

Note. If your only income subject to self-employment tax is **church employee income**, skip lines 1 through 4b. Enter -0- on line 4c and go to line 5a. Income from services you performed as a minister or a member of a religious order is **not** church employee income. See page SE-1.

A If you are a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361, but you had \$400 or more of **other** net earnings from self-employment, check here and continue with Part I. ☐

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A. Note. Skip this line if you use the farm optional method (see page SE-4).	1
2	Net profit or (loss) from Schedule C, line 31, Schedule C-EZ, line 3, Schedule K-1 (Form 1065), box 14, code A (other than farming), and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report. Note. Skip this line if you use the nonfarm optional method (see page SE-4).	2
3	Combine lines 1 and 2	3
4a	If line 3 is more than zero, multiply line 3 by 92.35% (92.35). Otherwise, enter amount from line 3	4a
4b	If you elect one or both of the optional methods, enter the total of lines 15 and 17 here	4b
4c	Combine lines 4a and 4b. If less than \$400, stop . You do not owe self-employment tax. Exception. If less than \$400 and you had church employee income , enter -0- and continue.	4c
5a	Enter your church employee income from Form W-2. See page SE-1 for definition of church employee income	5a
5b	Multiply line 5a by 92.35% (92.35). If less than \$100, enter -0-	5b
6	Net earnings from self-employment. Add lines 4c and 5b	6
7	Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2005	7
8a	Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$90,000 or more, skip lines 8b through 10, and go to line 11	8a
8b	Unreported tips subject to social security tax (from Form 4137, line 9)	8b
9	Add lines 8a and 8b	9
10	Subtract line 8c from line 7. If zero or less, enter -0-. Here and on line 10 and go to line 11	10
11	Multiply the smaller of line 6 or line 9 by 12.4% (12.4)	11
12	Multiply line 6 by 2.9% (2.9)	12
13	Self-employment tax. Add lines 10 and 11. Enter here and on Form 1040, line 58	13
14	Deduction for one-half of self-employment tax. Multiply line 12 by 50% (5). Enter the result here and on Form 1040, line 27	14

Part II Optional Methods To Figure Net Earnings (see page SE-3)

14	Optional Method. You may use this method only if (a) your gross farm income was not more than \$2,400 or (b) your net farm profits were less than \$1,733	14
15	Maximum income for optional methods	15
16	Enter the smaller of two-thirds (2/3) of gross farm income (not less than zero) or \$1,600. Also include this amount on line 4b above	16
17	Nonfarm Optional Method. You may use this method only if (a) your net nonfarm profits were less than \$1,733 and also less than 72.189% of your gross nonfarm income and (b) you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years	17
18	Caution. You may use this method no more than five times	18
19	Subtract line 15 from line 14	19
20	Enter the smaller of two-thirds (2/3) of gross nonfarm income (not less than zero) or the amount on line 19. Also include this amount on line 4b above	20

¹ From Sch. C, line 31, Sch. C-EZ, line 3, Sch. K-1 (Form 1065), box 14, code A, and Sch. K-1 (Form 1065-B), box 9
² From Sch. F, line 11, and Sch. K-1 (Form 1065)
³ From Sch. F, line 36, and Sch. K-1 (Form 1065), box 14, code A

Schedule SE (Form 1040) 2005

OMB No. 1545-0074
2005
Attachment
Sequence No. 54

Form 2106
Department of the Treasury
Internal Revenue Service (99)

Employee Business Expenses
► See separate instructions.
► Attach to Form 1040.

Your name _____ Social security number _____

Occupation in which you incurred expenses _____

Part I Employee Business Expenses and Reimbursements

Step 1 Enter Your Expenses

	Column A Other Than Meals and Entertainment	Column B Meals and Entertainment
1 Vehicle expense from line 22c or line 29. (Rural mail carriers. See instructions.)		
2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel or commuting to and from work.		
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment.		
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment.		
5 Meals and entertainment expenses (see instructions).		
6 Total expenses. In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5.		

Note: If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.

Step 2 Enter Reimbursements Received From Your Employer for Expenses Listed in Step 1

	Column A Other Than Meals and Entertainment	Column B Meals and Entertainment
7 Enter reimbursements received from your employer that were not reported to you in box 1 of Form W-2. Include any reimbursements reported under code "L" in box 12 of your Form W-2 (see instructions).		

Step 3 Figure Expenses To Deduct on Schedule A (Form 1040)

	Column A Other Than Meals and Entertainment	Column B Meals and Entertainment
8 Subtract line 7 from line 6. If zero or less, enter -0-. However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040, line 7.		
Note: If both columns of line 8 are zero, you cannot deduct employee business expenses. Stop here and attach Form 2106 to your return.		
9 In Column A, enter the amount from line 8. In Column B, multiply line 8 by 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits. Multiply meal expenses incurred while away from home on business by 70% (.70) instead of 50%. For details, see instructions.)		

10 Add the amounts on line 9 of both columns and enter the total here. **Also, enter the total on Schedule A (Form 1040), line 20.** (Reservists, qualified performing artists, fee-basis state or local government officials, and individuals with disabilities. See the instructions for special rules on where to enter the total.)

For Paperwork Reduction Act Notice, see instructions.

Cat No 11703N Form 2106 (2005)

Form 2106 (2005) Page 2

Part II Vehicle Expenses

Section A—General Information (You must complete this section if you are claiming vehicle expenses.)

	(a) Vehicle 1	(b) Vehicle 2
11 Enter the date the vehicle was placed in service	11 / /	11 / /
12 Total miles the vehicle was driven during 2005	12 miles	12 miles
13 Business miles included on line 12	13 miles	13 miles
14 Percent of business use. Divide line 13 by line 12	14 %	14 %
15 Average daily roundtrip commuting distance	15 miles	15 miles
16 Commuting miles included on line 12	16 miles	16 miles
17 Other miles. Add lines 13 and 16 and subtract the total from line 12	17 miles	17 miles
18 Do you (or your spouse) have another vehicle available for personal use?	Yes No	Yes No
19 Was your vehicle available for personal use during off-duty hours?	Yes No	Yes No
20 Do you have evidence to support your deduction?	Yes No	Yes No
21 If "Yes," is the evidence written?	Yes No	Yes No

Section B—Standard Mileage Rate (See the instructions for Part II to find out whether to complete this section or Section C.)

22a Multiply business miles driven before September 1, 2005 by 40 ¢ (.405)

22b Multiply business miles driven after August 31, 2005 by 48 ¢ (.485)

c Add lines 22a and 22b. Enter the result here and on line 1.

Section C—Actual Expenses

	(a) Vehicle 1	(b) Vehicle 2
23 Gasoline, oil, repairs, vehicle insurance, etc.	23	23
24a Vehicle rentals	24a	24a
b Inclusion amount (see instructions)	24b	24b
c Subtract line 24b from line 24a	24c	24c
25 Value of employer-provided vehicle (applies only if 100% of annual lease value was included on Form W-2—see instructions)	25	25
26 Add lines 23, 24c, and 25	26	26
27 Multiply line 26 by the percentage on line 14	27	27
28 Depreciation (see instructions)	28	28
29 Add lines 27 and 28. Enter total here and on line 1.	29	29

Section D—Depreciation of Vehicles (Use this section only if you owned the vehicle and are completing Section C for the vehicle.)

	(a) Vehicle 1	(b) Vehicle 2
30 Enter cost or other basis (see instructions)	30	30
31 Enter section 179 deduction (see instructions)	31	31
32 Multiply line 30 by line 14 (see instructions if you claimed the section 179 deduction or special allowance)	32	32
33 Enter depreciation method and percentage (see instructions)	33	33
34 Multiply line 32 by the percentage on line 33 (see instructions)	34	34
35 Add lines 31 and 34	35	35
36 Enter the applicable limit explained in the line 36 instructions	36	36
37 Multiply line 36 by the percentage on line 14	37	37
38 Enter the smaller of line 35 or line 37. If you skipped lines 36 and 37, enter the amount from line 35. Also enter this amount on line 28 above	38	38

Form 2106 (2005)

General Business Credit

Form 3800

OMB No. 1545-0095

2005

Attachment
Sequence No. 22

▶ See instructions

▶ Attach to your tax return.

Department of the Treasury
Internal Revenue Service (IRS)

Name(s) shown on return

Identifying number

Part I Current Year Credit

1a Investment credit (Form 3468)	1a
b Work opportunity credit (Form 5994)	1b
c Welfare-to-work credit (Form 8861)	1c
d Credit for increasing research activities (Form 6765)	1d
e Low-income housing credit (Form 8586)	1e
f Enhanced oil recovery credit (Form 8830)	1f
g Disabled access credit (Form 8826)	1g
h Renewable electricity production credit (Form 8835, Section A only)	1h
i Indian employment credit (Form 8845)	1i
j Credit for employer social security and Medicare taxes paid on certain employee tips (Form 8846)	1j
k Orphan drug credit (Form 8820)	1k
l New markets credit (Form 8874)	1l
m Credit for small employer pension plan startup costs (Form 8881)	1m
n Credit for employer-provided child care facilities and services (Form 8882)	1n
o Qualified railroad track maintenance credit (Form 8900)	1o
p Biodiesel and renewable diesel fuels credit (Form 8884)	1p
q Low sulfur diesel fuel production credit (Form 8886)	1q
r Distilled spirits credit (Form 8906)	1r
s Nonconventional source fuel credit (Form 8907)	1s
t Energy efficient home credit (Form 8908)	1t
u Alternative motor vehicle credit (Form 8910)	1u
v Alternative fuel vehicle refueling property credit (Form 8911)	1v
w Credit for contributions to selected community development corporations (Form 8947)	1w
x Trans-Alaska pipeline liability fund credit (see instructions)	1x
y General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1y
z Credits for employers affected by Hurricane Katrina, Rita, or Wilma (Form 5884-A)	1z
2 Current year credit. Add lines 1a through 1z	2
3 Passive activity credits included on line 2 (see instructions)	3
4 Subtract line 3 from line 2	4
5 Passive activity credits allowed for 2005 (see instructions)	5
6 Carry forward of general business credit to 2005. See instructions for the schedule to attach	6
7 Carryback of general business credit from 2005 (see instructions)	7
8 Current year credit. Add lines 4 through 7	8

For Paperwork Reduction Act Notice, see instructions.

Car No. 12345

Form 3800 (2005)

Form 3800 (2005)

Page 2

Part II Allowable Credit

9 Regular tax before credits (see instructions)	9
10 Alternative minimum tax (see instructions)	10
11 Add lines 9 and 10	11
12a Foreign tax credit	12a
b Credits from Form 1040, lines 48 through 54	12b
c Possessions tax credit (Form 5735, line 17 or 27)	12c
d Nonconventional source fuel credit (Form 8907, line 23)	12d
e Other specified credits (see instructions)	12e
f Add lines 12a through 12e	12f
13 Net income tax. Subtract line 12f from line 11. If zero, skip lines 14 through 17 and enter -0- on line 18	13
14 Net regular tax. Subtract line 12f from line 9. If zero or less, enter -0-	14
15 Enter 25% (25) of the excess, if any, of line 14 over \$25,000 (see instructions)	15
16 Tentative minimum tax (see instructions)	16
17 Enter the greater of line 15 or line 16	17
18 Subtract line 17 from line 13. If zero or less, enter -0-	18
19 Credit allowed for the current year. Enter the smaller of line 8 or line 18 here and on Form 1040, line 55; Form 1120, Schedule J, line 8d; Form 1120-A, Part I, line 2; Form 1041, Schedule G, line 2c; or the applicable line of your return. If line 19 is smaller than line 8, see instructions for Individuals, estates, and trusts . See instructions for claiming the research credit. Corporations : See Schedule A if claiming any regular investment credit carryforward and the line 19 instructions if there has been an ownership change, acquisition, or reorganization.	19
Schedule A—Additional General Business Credit Allowed by Code Section 38(c)(2) (Before Repeal by the Revenue Reconciliation Act of 1990)—Only Applicable to C Corporations	
20 Enter the portion of the credit shown on line 6 that is attributable to the regular investment credit under section 48 (before amendment by the Revenue Reconciliation Act of 1990)	20
21 Tentative minimum tax (from line 16)	21
22 Multiply line 21 by 25% (25)	22
23 Enter the amount from line 18	23
24 Enter the portion of the credit shown on line 8 that is not attributable to the regular investment credit under section 48 (before amendment by the Revenue Reconciliation Act of 1990)	24
25 Subtract line 24 from line 23. If zero or less, enter -0-	25
26 Subtract line 25 from line 20. If zero or less, enter -0-	26
27 For purposes of this line only, refigure the amount on Form 4626, line 10, by using zero on Form 4626, line 6, and enter the result here	27
28 Multiply line 27 by 10% (10)	28
29 Net income tax (from line 13)	29
30 Enter the amount from line 19	30
31 Subtract line 30 from line 29	31
32 Subtract line 28 from line 31	32
33 Enter the smallest of line 22, line 26, or line 32	33
34 Subtract line 33 from line 21	34
35 Enter the greater of line 15 or line 34	35
36 Subtract line 35 from line 29. Also enter this amount on line 19 instead of the amount previously figured on that line. Write Sec 38(c)(2) next to your entry on line 19	36

Form 3800 (2005)

Section references are to the Internal Revenue Code.

General Instructions

What's New

There are seven new general business credits listed on

- Line 10—Qualified railroad track maintenance credit (effective for tax years beginning after December 31, 2005). See Form 3800.
- Line 11—Distilled spirits credit (effective for tax years beginning after September 30, 2005). See Form 3800.
- Line 12—Nonconventional source fuel credit (effective for tax years ending after December 31, 2005). See Form 3807.
- Line 13—Energy efficient home credit (effective for new homes substantially completed after August 8, 2005, and acquired after December 31, 2005). See Form 3803.
- Line 14—Alternative motor vehicle credit (effective for depreciable property placed in service after December 31, 2005). See Form 3810.
- Line 15—Alternative fuel vehicle refueling credit (effective for tax years beginning after December 31, 2005). See Form 3807.
- Line 16—Energy efficient home credit (effective for new homes substantially completed after August 8, 2005, and acquired after December 31, 2005). See Form 3803.

481(q)(3) applies as in effect prior to repeal by the Revenue Reconciliation Act of 1990) and (b) unused credit for increasing research activities

Change in Filing or Marital Status

Your general business credit is limited to your tax liability. Therefore, if you filed a joint return in a carryback or carryforward year and your marital status or filing status has changed, you may need to figure your separate tax liability in that carryback or carryforward year. This would apply if

- You filed as single in the credit year, but filed a joint return in the carryback or carryforward year.
- You filed a joint return in the credit year, but filed a joint return with a different spouse in the carryback or carryforward year, or
- You were married and filed a separate return in the credit year, but filed a joint return with the same or a different spouse in the carryback or carryforward year.

Determine your separate tax liability in the carryback or carryforward year as follows:

1. Figure your tax for the carryback or carryforward year as though you were married filing a separate return.
2. Figure your spouse's tax in that year as though he or she was married filing a separate return.
3. Add the amounts in steps 1 and 2.
4. Divide the amount in step 1 by the amount in step 3. The result should be rounded to at least three decimal places.
5. Multiply the decimal in step 4 by the total tax shown on your joint return for the carryback or carryforward year. The result is your separate tax liability and a carryback or carryforward credit is applied against this amount only.

Although your carryback or carryforward of the credit is limited to your separate tax liability, the amount of your refund resulting from the carryback or carryforward is further limited to your share of the joint overpayment. This is found by subtracting your separate tax liability (as determined above) from your contribution toward the payment.

Unless you have an agreement or clear evidence of each spouse's contribution toward the payment of the joint liability, your contribution includes the tax withheld on your wages and your share of the joint estimated tax, or tax paid with the return. Your share of these payments is found by using the same formula used in determining your separate tax liability. Substitute the joint estimated tax, or tax paid with the return, for the tax in step 5. If the original return for the carryback year resulted in an overpayment, reduce your contribution by your share of the refund.

Attach a copy of the computation to your amended return or application for tentative refund.

4. You have a carryback or carryforward of any of the credits listed in 2 above. If you are not required to file Form 3800, file only the applicable credit form as listed on lines 1a through 1q and line 1w.

The general business credit includes the following:

1. The credits listed on lines 1a through 1z.
 2. The empowerment zone and renewal community employment credit (Form 3844).
 3. The alcohol fuel credit (Form 6478) and
 4. The portion of the renewable electricity refined coal and Indian coal production credit figured in Section B of Form 3835.
- The credits associated with items 2-4 have special tax liability limits and are not reported on Form 3800. Any carryback, carryforward, and passive activity limitation of these credits is computed separately on the forms on which they are claimed, and not on Form 3800.

Carryback and Carryforward of Unused Credit

If you cannot use part or all of the credit because of the tax liability limit (line 19 is less than line 8), carry the unused credit back one tax year. To carry back an unused credit, file an amended return (Form 1040X, 1120X, or other amended return) for the prior tax year or an application for tentative refund (Form 1045, Application for Tentative Refund, or Form 1139, Corporation Application for Tentative Refund). Generally, if you file an application for a tentative refund, it must be filed by the end of the tax year following the tax year in which the credit arose.

Note. No part of the unused credit for any year attributable to any credit may be carried back to any tax year before the first tax year for which that credit was first allowable. See **Credit Ordering Rule** to determine which credits are allowed first.

If you have an unused credit after carrying it back, carry it forward to each of the 20 tax years after the year of the credit. Any qualified business credits (as defined in section 1361(c)) that are unused after the last tax year of the 20-year carryforward period (or at the time an individual taxpayer dies or other taxpayer, such as a corporation or partnership, ceases to exist) may be taken as a deduction in the earlier of

• The tax year following the last tax year of the 20-year carryforward period or

• The tax year in which the individual taxpayer dies or other taxpayer ceases to exist.

For purposes of this special deduction, only half of the following credits may be taken into account: (a) unused investment credit (other than a credit to which section

carryforward period the unused portion of the credit and a corresponding portion of the 35% reduction. For example, if you are able to use only half of the credit in 2005, carry forward the other half of the credit and half of the 35% reduction.

Line 7

Use line 7 only when you amend your 2005 return to carry back unused credits from 2006.

Line 8

If this line is zero, skip Part II.

Part II—Allowable Credit

Line 9

Enter the regular tax before credits from the appropriate form or schedule.

- Individuals: Form 1040, line 44.
- Corporations: Form 1120, Schedule J, line 3, Form 1120-A, Part I, line 1, or the applicable line of your tax return.
- Estates and trusts: The sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your tax return.

Corporations filing Form 9885, One-Time Dividends Received Deduction for Certain Cash Dividends From Controlled Foreign Corporations, must reduce the amount otherwise reported as regular tax before credits on line 9 (or on the comparable line of any other general business credit form) by the tax attributable to nondeductible controlled foreign corporation (CFC) dividends.

Line 10

Enter the alternative minimum tax (AMT) from the following line of the appropriate form or schedule.

- Individuals: Form 6251, line 35.
- Corporations: Form 4626, line 14.
- Estates and trusts: Form 1041, Schedule I, line 56.

Line 12e

Include on line 12e any amounts claimed on Form 8834, Qualified Electric Vehicle Credit, line 20.

- Form 8910, Alternative Motor Vehicle Credit, line 18, and
- Form 8911, Alternative Fuel Vehicle Refueling Property Credit, line 19.

Line 15

See section 38(c)(5) for special rules that apply to married couples filing separate returns. controlled corporate groups, regulated investment companies, real estate investment trusts, and estates and trusts.

Specific Instructions

Part I—Current Year Credit

Lines 1a-1w

Complete the appropriate credit forms to figure your current year credits (but do not figure the allowable credits on those forms). Enter the current year credit on the applicable entry spaces and attach the credit forms to your return.

Line 1x

Attach a statement showing how you figured the section 4612(e) credit.

Line 1y

Enter the total of the amounts shown in box 7 of the Schedules K-1 (Form 1065-B) you received from electing large partnerships.

Line 3

Enter the credits included on line 2 that are from passive activities. Generally, a passive activity is a trade or business in which you did not materially participate. Generally rental activities are passive activities whether or not you materially participate. See Form 8582-CR, Passive Activity Credit Limitations, or Form 8810, Corporate Passive Activity Loss and Credit Limitations, for details.

Line 5

Enter the passive activity credit allowed from Form 8582-CR or Form 8810. See the instructions for the applicable form for details.

Line 6

Add all carryforwards to 2005 of unused credits that are reported on Form 3800. Include any carryforward to 2005 of any unused credit from your 2004 Form 6478, Credit for Alcohol Used as Fuel.

For each credit, attach a detailed computation showing (a) the tax year the credit originated, the amount of the credit, and the amount allowed for that year; (b) for each carryback year, the year and the amount of the credit allowed after you applied the carryback; and (c) for each carryforward year, the year and the amount of the credit allowed after you applied the carryforward.

You must reduce by 35% the portion of the business credit carryforward attributable to sections 46(a)(1) regular investment credit and 46(b)(2)(C) and (D) business energy investment credit (as in effect prior to the repeal of these three sections) by the Revenue Reconciliation Act of 1990. Include the reduced credit on line 6. Do not reduce any portion of the credit attributable to qualified timber property. If you cannot use all of the reduced credit because line 18 is less than line 8, carry forward to your next tax year in the

Credit Ordering Rule

General business credits reported on Form 3800 are treated as used on a first-in, first-out basis by offsetting the earliest-earned credits first. Therefore, the order in which the credits are used in any tax year is:

- Carryforwards to that year, the earliest ones first.
- The general business credit earned in that year, and
- The carryback to that year.

- When relevant, the components of the general business credit reported on Form 3800 arising in a single tax year are used in the following order:
 - Regular investment credit
 - Rehabilitation investment credit
 - Energy investment credit
 - Work opportunity credit (including any jobs credit carryforward)
 - Welfare-to-work credit
 - Credit for increasing research activities
 - Low-income housing credit
 - Enhanced oil recovery credit
 - Disabled access credit
 - Renewable electricity production credit
 - Indian employment credit
 - Credit for employer social security and Medicare taxes paid on certain employee tips
- Orphan drug credit
- New markets credit
- Credit for small employer pension plan startup costs
- Credit for employer-provided child care facilities and services
- Qualified railroad track maintenance credit
- Biodiesel and renewable diesel fuels credit
- Low sulfur diesel fuel production credit
- Distilled spirits credit
- Nonconventional source fuel credit
- Energy efficient home credit
- Alternative motor vehicle credit
- Alternative fuel vehicle refueling property credit

Credits for employers affected by Hurricane Katrina, Rita, or Wilma

- Credit for contributions to selected community development corporations
- Trans-Alaska pipeline liability fund credit
- General credits from an electing large partnership

Although these credits are aggregated on Form 3800, keep a separate record of each credit to ensure that no credits or deductions are squandered or duplicated.

Line 16

Although you may not owe AMT, you generally must still compute the tentative minimum tax (TMT) to figure your credit. For a small corporation, exempt from the AMT under section 551(e), enter zero. Otherwise, complete and attach the appropriate AMT form or schedule and enter on line 16 the TMT from the following line of that form or schedule:

- Individuals Form 6251, line 33
- Corporations Form 4626, line 12
- Estates and trusts Form 1041, Schedule I, line 34

Line 19

If line 19 is smaller than line 8, see *Carryback and Carryforward of Unused Credit* on page 3.

Individuals, estates, and trusts. The amount of the research credit that may be included on line 19 is limited to the amount of tax attributable to your taxable income from the sole proprietorship or your interest in the partnership, S corporation, estate or trust (pass-through entity) generating the credit. Figure the research credit limitation separately for each business enterprise by using the following formula:

Taxable income attributable to the sole proprietorship or your interest in the pass-through entity (Line 13 - line 15)

Your taxable income for the year

The result figured above is limited to the excess of line 13 over line 15. If in the current tax year you had no taxable income attributable to a particular business interest, you cannot claim any research credit this year related to that business.

If your research credit is limited by the above formula, reduce the amount to enter on line 19 using only the total of the amount calculated above for the research credit plus the general business credit from other sources. If necessary, follow the *Credit Ordering Rule* and take into account any passive activity credit limitations. Write "Sec. 41(g)" on the dotted line next to your entry on line 19.

Corporations. If the corporation has undergone a post-1986 "ownership change" (as defined in section 382(g)), section 383 may limit the amount of tax that may be offset by pre-change general business credits. Also, if a corporation acquires control of another corporation (or acquires its assets in a reorganization), section 384 may limit the amount of tax attributable to recognized built-in gains that may be offset by pre-acquisition general business credits. If either of these limitations apply, attach a computation of the allowable general business credit, enter the amount on line 19, and write "Sec. 383" or "Sec. 384" in the margin next to your entry on line 19.

Schedule A—Additional General Business Credit Under Code Section 38(c)(2)

A corporation (other than an S corporation) may be entitled to a larger general business credit or additional credit against the AMT if (a) it is claiming a regular investment credit carryforward on line 6 attributable, in whole or in part, to the regular investment credit under section 45 (before amendment by the Revenue Reconciliation Act of 1990), (b) some of that investment credit cannot be used because line 19 is smaller than line 8, and (c) it is required to file Form 4626, *Alternative Minimum Tax—Corporations*. Complete Schedule A to see if the corporation is entitled to an additional credit.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping 17 hr. 56 min.
Learning about the law or the form 1 hr. 23 min.
Preparing and sending the form to the IRS 1 hr. 42 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

6251**Alternative Minimum Tax—Individuals**

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074
2005
 Attachment
 Sequence No. 32

Name(s) shown on Form 1040 Your social security number

Part I Alternative Minimum Taxable Income (See instructions for how to complete each line.)

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 (minus any amount on Form 8914, line 2), and go to line 2. Otherwise, enter the amount from Form 1040, line 38 (minus any amount on Form 8914, line 2), and go to line 7. (If less than zero, enter as a negative amount).	1
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4 or 21% of Form 1040, line 38.	2
3	Taxes from Schedule A (Form 1040), line 9.	3
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet on page 2 of the instructions.	4
5	Miscellaneous deductions from Schedule A (Form 1040), line 26.	5
6	If Form 1040, line 38, is over \$145,975 (over \$72,975 if married filing separately), enter the amount from line 9 of the Itemized Deductions Worksheet on page A-9 of the instructions for Schedules A & B (Form 1040).	6
7	Tax refund from Form 1040, line 10 or line 21.	7
8	Investment interest expense (difference between regular tax and AMT).	8
9	Depletion (difference between regular tax and AMT).	9
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount.	10
11	Interest from specified private activity bonds exempt from the regular tax.	11
12	Qualified small business stock (7% of gain excluded under section 1202).	12
13	Exercise of incentive stock options (excess of AMT income over regular tax income).	13
14	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A).	14
15	Election large partnerships (amount from Schedule K-1 (Form 1065-B), box 6).	15
16	Disposition of property (difference between AMT and regular tax gain or loss).	16
17	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT).	17
18	Passive activities (difference between AMT and regular tax income or loss).	18
19	Loss limitations (difference between AMT and regular tax income or loss).	19
20	Circulation costs (difference between regular tax and AMT).	20
21	Long-term contracts (difference between AMT and regular tax income).	21
22	Mining costs (difference between regular tax and AMT).	22
23	Research and experimental costs (difference between regular tax and AMT).	23
24	Income from certain installment sales before January 1, 1987.	24
25	Intangible drilling costs preference.	25
26	Other adjustments, including income-based related adjustments.	26
27	Alternative tax net operating loss deduction.	27
28	Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than \$91,000, see page 7 of the instructions.)	28

Part II Alternative Minimum Tax

29	Exemption. (If this form is for a child under age 14, see page 7 of the instructions.)	29
30	Subtract line 29 from line 28. If zero or less, enter -0- here and on lines 33 and 35 and stop here.	30
31	<p>IF your filing status is AND line 28 is not over THEN enter on line 29</p> <p>Single or head of household \$40,250</p> <p>Married filing jointly or qualifying widow(er) 58,000</p> <p>Married filing separately 29,000</p> <p>If line 28 is over the amount shown above for your filing status, see page 7 of the instructions.</p> <p>31 • If you reported capital gain distributions directly on Form 1040, line 13, you reported qualified dividends on Form 1040, line 3b, or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on the back and enter the amount from line 35 here.</p> <p>• All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.</p>	31
32	Alternative minimum tax, foreign tax credit (see page 7 of the instructions).	32
33	Tentative minimum tax. Subtract line 32 from line 31.	33
34	Tax from Form 1040, line 44 (minus any tax from Form 4372 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount for line 44 of Form 1040 must be refigured without using Schedule J (see page 9 of the instructions).	34
35	Alternative minimum tax. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45.	35

Part III Tax Computation Using Maximum Capital Gains Rates

36	Enter the amount from Form 6251, line 30	36
37	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet on page D-9 of the instructions for Schedule D (Form 1040), whichever applies (as figured for the AMT, if necessary) (see page 9 of the instructions)	37
38	Enter the amount from Schedule D (Form 1040), line 19 (as figured for the AMT, if necessary) (see page 9 of the instructions)	38
39	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet, (as figured for the AMT, if necessary)	39
40	Enter the smaller of line 36 or line 39	40
41	Subtract line 40 from line 36	41
42	If line 41 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 41 by 26% (26). Otherwise, multiply line 41 by 28% (28) and subtract \$3,500 (\$1,750 if married filing separately) from the result	42
43	Enter: <ul style="list-style-type: none"> • \$59,400 if married filing jointly or qualifying widow(er). • \$29,700 if single or married filing separately or • \$39,600 if head of household 	43
44	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet on page D-9 of the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax) if you did not complete either worksheet for the regular tax, enter -0-	44
45	Subtract line 44 from line 43. If zero or less, enter -0-	45
46	Enter the smaller of line 36 or line 37	46
47	Enter the smaller of line 45 or line 46	47
48	Multiply line 47 by 5% (.05)	48
49	Subtract line 47 from line 46	49
50	Multiply line 49 by 15% (.15)	50
51	If line 38 is zero or blank, skip lines 51 and 52 and go to line 53. Otherwise, go to line 51.	51
52	Subtract line 48 from line 40	52
53	Multiply line 51 by 25% (.25)	53
54	Add lines 42, 48, 50, and 52	54
55	If line 36 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 36 by 26% (26). Otherwise, multiply line 36 by 28% (28) and subtract \$3,500 (\$1,750 if married filing separately) from the result	55
56	Enter the smaller of line 53 or line 54 here and on line 31	56

Passive Activity Loss Limitations

- See separate instructions.
► Attach to Form 1040 or Form 1041.

Name(s) shown on return

Identifying number

Part I 2005 Passive Activity Loss

Caution: Complete Worksheets 1, 2, and 3 on page 2 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation see **Special Allowance for Rental Real Estate Activities** on page 3 of the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a))

b Activities with net loss (enter the amount from Worksheet 1, column (b))

c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))

d Combine lines 1a, 1b, and 1c.

Commercial Revitalization Deductions From Rental Real Estate Activities

2a Commercial revitalization deductions from Worksheet 2, column (a)

b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)

c Add lines 2a and 2b.

All Other Passive Activities

3a Activities with net income (enter the amount from Worksheet 3, column (a))

b Activities with net loss (enter the amount from Worksheet 3, column (b))

c Prior years unallowed losses (enter the amount from Worksheet 3, column (c))

d Combine lines 3a, 3b, and 3c.

4 Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Do not complete Form 8582. Report the losses on the forms and schedules normally used.

If line 4 is a loss and:

- Line 1d is a loss, go to Part II.
- Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
- Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II or Part III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate With Active Participation

Note: Enter all numbers in Part II as positive amounts. See page 8 of the instructions for an example.

5 Enter the **smaller** of the loss on line 1d or the loss on line 4

6 Enter \$150,000. If married filing separately, see page 6.

7 Enter modified adjusted gross income, but not less than zero (see page 8).

Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.

8 Subtract line 7 from line 6.

9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see page 8.

10 Enter the **smaller** of line 5 or line 9.

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example for Part II on page 6 of the instructions.

11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions

12 Enter the loss from line 4

13 Reduce line 12 by the amount on line 10

14 Enter the **smallest** of line 2c (treated as a positive amount), line 11, or line 13**Part IV Total Losses Allowed**

15 Add the income, if any, on lines 1a and 3a and enter the total

16 Total losses allowed from all passive activities for 2005. Add lines 10, 14, and 15. See pages 10 and 11 of the instructions to find out how to report the losses on your tax return.

For Paperwork Reduction Act Notice, see page 12 of the instructions.

Cat. No. 63704F

Form 8582 (2005)

Worksheet 6--Allowed Losses (See pages 9 and 10 of the instructions.)

[illegible]

Total

Worksheet 7—Activities With Losses Reported on Two or More Forms or Schedules (See page 10 of the instructions)

Name of Activity:	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Form or schedule and the number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule. ▶					
b Net income from form or schedule ▶					

c Subtract line 1b from line 1a. If zero or less, enter -0-

Form or schedule and line number

to be reported on (see instructions):	
1a Net loss plus prior year unallowed loss from form or schedule.	▶
b Net income from form or schedule.	▶

c Subtract line 1b from line 1a. If zero or less, enter -0-

Form or schedule and line number

to be reported on (see instructions):	
1a	Net loss plus prior year unallowed loss from form or schedule. ▶
b	Net income from form or schedule. ▶

• Subtract from 100% if zero or less enter 0-

1.00

Total

Caution: The worksheets must be filed with your tax return. Keep a copy for your records.

[illegible]

Total. Enter on Form 8582, lines 1a.

Figure	Figure Description	Figure Legend
1a	Diagram of the experimental setup for the study of the effect of the concentration of the reactants on the rate of the reaction.	Diagram of the experimental setup for the study of the effect of the concentration of the reactants on the rate of the reaction.
1b, and 1c	Graphs showing the effect of the concentration of the reactants on the rate of the reaction.	Graphs showing the effect of the concentration of the reactants on the rate of the reaction.

Worksheet 2—For Form 8592, Lines 2a and 2b (See pages 7 and 8 of the instructions.)			
Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall loss
Total, Enter on Form 8592, lines 2a and 2b			

Total. Enter on Form 8582, lines 2a

and 2b

[illegible]

Total Enter on Form 8582 lines 3a

total, linear on 10 mm 0002, mms 3	
3b, and 3c.	▲

[illegible]

Total

Worksheet 5—Allocation of Unallowed Losses (See page 9 of the instructions.)

[illegible]

Total

1.00

Form **8615****Tax for Children Under Age 14
With Investment Income of More Than \$1,600**Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

OMB No. 1545-0074

2005Attachment
Sequence No. **33**

Child's name shown on return

Child's social security number

Before you begin: If the child, the parent, or any of the parent's other children under age 14 must use the Schedule D Tax Worksheet or has income from farming or fishing, see Pub. 929, Tax Rules for Children and Dependents. It explains how to figure the child's tax using the **Schedule D Tax Worksheet** or **Schedule J (Form 1040)**.

A Parent's name (first, initial and last) **Caretaker:** See instructions before completing

C Parent's filing status (check one)

☐ Single ☐ Married filing jointly ☐ Married filing separately ☐ Head of household ☐ Qualifying widow(er)

Part I Child's Net Investment Income

- 1 Enter the child's investment income (see instructions)
- 2 If the child **did not** itemize deductions on **Schedule A (Form 1040 or Form 1040NR)**, enter \$1,600. Otherwise, see instructions
- 3 Subtract line 2 from line 1. If zero or less, **stop**; do not complete the rest of this form but do attach it to the child's return
- 4 Enter the child's **taxable income** from Form 1040, line 43; Form 1040A, line 27; or Form 1040NR, line 40
- 5 Enter the **smaller** of line 3 or line 4. If zero, **stop**; do not complete the rest of this form but do attach it to the child's return

Part II Tentative Tax Based on the Tax Rate of the Parent

- 6 Enter the parent's taxable income from Form 1040, line 43; Form 1040A, line 27; Form 1040EZ, line 6; Form 1040NR, line 40; or Form 1040NR-EZ, line 14. If zero or less, enter -0-
- 7 Enter the total, if any, from Forms 8815, line 5, of all other children of the parent named above. **Do not** include the amount from line 5 above
- 8 Add lines 6, 7 and 8 (see instructions)
- 9 Enter the tax on the amount on line 8 based on the parent's filing status above (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here ☐

- 10 Enter the parent's tax from Form 1040, line 44; Form 1040A, line 28, minus any alternative minimum tax from Form 1040EZ, line 10; Form 1040NR, line 41; or Form 1040NR-EZ, line 15. **Do not** include any tax from Form 4972 or 8814. If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) was used to figure the tax, check here ☐
- 11 Subtract line 10 from line 9 and enter the result. If line 7 is blank, also enter this amount on line 13 and go to **Part III**

- 12a Add lines 5 and 7 **12a**
- b Divide line 5 by line 12a. Enter the result as a decimal (rounded to at least three places)

Part III Child's Tax—If lines 4 and 5 above are the same, enter -0- on line 15 and go to line 16.

- 14 Subtract line 5 from line 4
- 15 Enter the tax on the amount on line 14 based on the child's filing status (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here ☐
- 16 Add lines 13 and 15
- 17 Enter the tax on the amount on line 4 based on the child's filing status (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here ☐
- 18 Enter the **larger** of line 16 or line 17 here and on the child's Form 1040, line 44; Form 1040A, line 28; or Form 1040NR, line 41

For Paperwork Reduction Act Notice, see the instructions.

Cat No 64113U

Form **8615** (2005)Form **8801****Credit for Prior Year Minimum Tax—
Individuals, Estates, and Trusts**Department of the Treasury
Internal Revenue Service (99)

▶ See instructions.

▶ Attach to Form 1040, 1040NR, or 1041.

OMB No. 1545-0073

2005Attachment
Sequence No. **74**

Name(s) shown on return

Identifying number

Part I Net Minimum Tax on Exclusion Items

- 1 Combine lines 1, 6, and 10 of your 2004 Form 6251. Estates and trusts, see instructions
- 2 Enter adjustments and preferences treated as exclusion items (see instructions)
- 3 Minimum tax credit net operating loss deduction (see instructions)
- 4 Combine lines 1, 2, and 3. If zero or less, enter -0- here and on line 15 and go to **Part II**. If more than \$191,000 and you were married filing separately for 2004, see instructions
- 5 Enter \$58,000 if married filing jointly or qualifying widow(er) for 2004, \$40,250 if single or head of household for 2004, or \$29,000 if married filing separately for 2004. Estates and trusts, enter \$22,500
- 6 Enter \$150,000 if married filing jointly or qualifying widow(er) for 2004, \$112,500 if single or head of household for 2004, or \$75,000 if married filing separately for 2004. Estates and trusts, enter \$75,000
- 7 Subtract line 6 from line 4. If zero or less, enter -0- here and on line 8 and go to line 9
- 8 Multiply line 7 by 25% (.25)
- 9 Subtract line 8 from line 5. If zero or less, enter -0-. If this form is for a child under age 14, see instructions
- 10 Subtract line 9 from line 4. If zero or less, enter -0- here and on line 15 and go to **Part II**. Form 1040NR filers, see instructions
- 11 **• If for 2004 you reported capital gain distributions directly on Form 1040, line 13, you reported qualified dividends on Form 1040, line 9b (Form 1041, line 262), or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (lines 14a and 15, column (2), of Schedule D (Form 1041)), complete Part II of Form 8801 and enter the amount from line 46 here**
• All others: If line 10 is \$175,000 or less (\$87,500 or less if married filing separately for 2004), multiply line 10 by 28% (.28). Otherwise, multiply line 10 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately for 2004) from the result
- 12 Minimum tax foreign tax credit on exclusion items (see instructions)
- 13 Tentative minimum tax on exclusion items. Subtract line 12 from line 11
- 14 Enter the amount from your 2004 Form 6251, line 34, or 2004 Form 1041, Schedule I, line 55
- 15 **Net minimum tax on exclusion items.** Subtract line 14 from line 13. If zero or less, enter -0-

Part II Minimum Tax Credit and Carryforward to 2006

- 16 Enter the amount from your 2004 Form 6251, line 35, or 2004 Form 1041, Schedule I, line 56
- 17 Enter the amount from line 15 above
- 18 Subtract line 17 from line 16. If less than zero, enter as a negative amount
- 19 **2004 minimum tax credit carryforward.** Enter the amount from your 2004 Form 8801, line 26
- 20 Enter the total of your 2004 unallowed nonconventional source fuel credit and 2004 unallowed qualified electric vehicle credit (see instructions)
- 21 Combine lines 18, 19, and 20. If zero or less, **stop here** and see instructions
- 22 Enter your 2005 regular income tax liability minus allowable credits (see instructions)
- 23 Enter the amount from your 2005 Form 6251, line 33, or 2005 Form 1041, Schedule I, line 54
- 24 Subtract line 23 from line 22. If zero or less, enter -0-
- 25 **Minimum tax credit.** Enter the **smaller** of line 21 or line 24. Also enter this amount on your 2005 Form 1040, line 55; Form 1040NR, line 50; or Form 1041, Schedule G, line 2d
- 26 **Minimum tax credit carryforward to 2006.** Subtract line 25 from line 21. Keep a record of this amount because you may use it in future years

For Paperwork Reduction Act Notice, see page 6.

Cat No. 10002S

Form **8801** (2005)

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Use Form 8801 if you are an individual, estate, or trust to figure the minimum tax credit, if any, for alternative minimum tax (AMT) you incurred in prior tax years and to figure any minimum tax credit carryforward.

Who Should File

Complete Form 8801 if you are an individual, estate, or trust that for 2004 had:

- An AMT liability and adjustments or preferences other than exclusion items.
- A minimum tax credit carryforward to 2005, or
- An unallowed nonconventional source fuel credit or qualified electric vehicle credit (see the instructions for line 20).

File Form 8801 only if line 21 is more than zero.

Specific Instructions

The AMT is caused by two types of adjustments and preferences—deferral items and exclusion items. Deferral items (for example, depreciation) generally do not cause a permanent difference in taxable income over time. Exclusion items (for example, the standard deduction), on the other hand, do cause a permanent difference. The minimum tax credit is allowed only for the AMT caused by deferral items.

Line 1—Estates and Trusts

Skip lines 1 through 3 of Form 8801. Complete Parts I and II of another 2004 Form 1041, Schedule I. For Part I of Schedule I, take into account only exclusion items (the amounts included on lines 2 through 6, 8, and 9, and any other adjustments related to exclusion items included on line 23 of Schedule I). On line 24 of Schedule I, use the minimum tax credit net operating loss deduction (MTCNOLD). However, do not limit the MTCNOLD to 90% of the total of lines 1 through 23 of Schedule I. (See the instructions for line 3 on this page for how to figure the MTCNOLD.) In Part II of Schedule I, complete lines 35 and 36 without taking into account any basis adjustments arising from deferral items. If the amount on Schedule I, line 29, is zero or less, enter -0- on Form 8801, line 4. Otherwise, enter on Form 8801, line 4, the amount from Schedule I, line 29, adjusted for exclusion items that were allocated to the beneficiary.

Line 2

Enter on this line the adjustments and preferences treated as exclusion items (except the standard deduction). Exclusion items are only the following AMT adjustments and preferences: itemized deductions (including any investment interest expense reported on

Schedule E), certain tax-exempt interest, depletion, the section 1202 exclusion, and any other adjustments related to exclusion items. Do not include the standard deduction. It has already been included on line 1.

Combine lines 2 through 5, 7 through 9, 11, and 12 of your 2004 Form 8251. Do not include any amount from line 14 of the 2004 Form 8251. Instead, include the exclusion item amount from line 12d of the Schedule(s) K-1 (Form 1041) you received for 2004. If you included on line 26 of the 2004 Form 8251 any adjustments related to exclusion items, also include those adjustments in the amount you enter on line 2. Enter the total on line 2.

Exclusion items on other lines. If you included any exclusion item on a line not listed above, include that item in the amount you enter on line 2. For example, if depletion was included on Form 8251 as an adjustment on line 18 (passive activities) instead of on line 9 (depletion), include it as an exclusion item in the amount you enter on line 2.

Line 3

Your minimum tax credit net operating loss deduction (MTCNOLD) is the total of the minimum tax credit net operating loss (MTCNOL) carryovers and carrybacks to 2004. Your MTCNOL is figured as follows:

Your MTCNOL is the excess of the deductions (excluding the MTCNOLD) over the income to figure alternative minimum taxable income (AMTI) taking into account only exclusion items. Figure this excess with the modifications in section 172(d) taking into account only exclusion items (that is, the section 172(d) modifications must be figured separately for the MTCNOL).

For example, the limitation of nonbusiness deductions to the amount of nonbusiness income must be figured separately for the MTCNOL using only nonbusiness income and deductions but taking into account only exclusion items. However, ignore the disallowance of the deduction for personal exemptions under section 172(d)(3) because it has already been taken into account to figure AMTI attributable only to exclusion items.

To determine the amount of MTCNOL that may be carried to tax years other than 2004, apply sections 172(b)(2) and 172(d) with appropriate modifications to take into account only exclusion items.

Line 4

If your filing status was married filing separately for 2004 and line 4 is more than \$191,000, you must include an additional amount on line 4. If line 4 is \$307,000 or more, include an additional \$29,000 on line 4. Otherwise, include 25% of the excess of the amount on line 4 over \$191,000. For example, if the amount on line 4 is \$211,000, enter \$216,000 instead—the additional \$5,000 is 25% of \$20,000 (\$211,000 minus \$191,000).

Part III Tax Computation Using Maximum Capital Gains Rates

Caution: If you did not complete the 2004 Qualified Dividends and Capital Gain Tax Worksheet, the 2004 Schedule D Tax Worksheet, or Part V of the 2004 Schedule D (Form 1041), see the instructions before completing this part.

27	Enter the amount from Form 8801, line 10	27
28	Enter the amount from line 6 of your 2004 Qualified Dividends and Capital Gain Tax Worksheet, the amount from line 13 of your 2004 Schedule D Tax Worksheet, or the amount from line 22 of the 2004 Schedule D (Form 1041), whichever applies	28
29	If you figured your 2004 tax using the 2004 Qualified Dividends and Capital Gain Tax Worksheet, skip line 29 and enter the amount from line 28 on line 30. Otherwise, go to line 29.	29
30	Enter the amount from line 19 of your 2004 Schedule D (Form 1040), or line 14b, column (2), of the 2004 Schedule D (Form 1041)	30
31	Add lines 28 and 29, and enter the smaller of that result or the amount from line 10 of your 2004 Schedule D Tax Worksheet	31
32	Enter the smaller of line 27 or line 30	32
33	Subtract line 31 from line 27	33
34	If line 32 is \$175,000 or less (\$87,500 or less if married filing separately for 2004), multiply line 32 by 26% (28% otherwise, multiply line 32 by 28% (28% and subtract \$3,500 (\$1,750 if married filing separately for 2004) from the result	34
35	Enter the amount from line 7 of your 2004 Qualified Dividends and Capital Gain Tax Worksheet, the amount from line 14 of your 2004 Schedule D Tax Worksheet, or the amount from line 23 of the 2004 Schedule D (Form 1041), whichever applies. If you did not complete either worksheet or Part V of the 2004 Schedule D (Form 1041), enter -0-	35
36	Subtract line 35 from line 34. If zero or less, enter -0-	36
37	Enter the smaller of line 27 or line 28	37
38	Enter the smaller of line 36 or line 37	38
39	Multiply line 38 by 5% (0%)	39
40	Subtract line 38 from line 37	40
41	Multiply line 40 by 15% (15%)	41
42	If line 29 is zero or blank, skip lines 42 and 43 and go to line 44. Otherwise, go to line 42.	42
43	Subtract line 37 from line 31	43
44	Multiply line 42 by 25% (25%)	44
45	Add lines 33, 38, 41, and 43	45
46	If line 27 is \$175,000 or less (\$87,500 or less if married filing separately for 2004), multiply line 27 by 26% (28% otherwise, multiply line 27 by 28% (28% and subtract \$3,500 (\$1,750 if married filing separately for 2004) from the result	46

* The 2004 Qualified Dividends and Capital Gain Tax Worksheet is on page 34 of the 2004 Instructions for Form 1040. The 2004 Schedule D Tax Worksheet is on page D-9 of the 2004 Instructions for Schedule D (Form 1040) page 37 of the 2004 Instructions for Form 1041.

Line 9

If this form is for a child who was under age 14 at the end of 2004 and at least one of the child's parents was alive at the end of 2004, do not enter more than the sum of the child's 2004 earned income plus \$5,750.

A child born on January 1, 1991, is considered to be age 14 at the end of 2004 and is therefore not subject to this limitation.

Line 10

If you filed Form 1040NR for 2004 and had a net gain on the disposition of U.S. real property interests, line 10 cannot be less than the smaller of that net gain or line 4.

Line 12

If you made an election to claim the foreign tax credit on your 2004 Form 1040 without filing Form 1116, enter on Form 8801, line 12, the amount from your 2004 Form 1040, line 46. Otherwise, the minimum tax foreign tax credit on exclusion items (MTFCE) is your 2004 AMT foreign tax credit (AMTFC) reduced using only exclusion items. Follow these steps to figure your MTFCE.

Step 1. Use a separate 2004 Form 1116 for the MTFCE for each separate category of income specified at the top of Form 1116.

When applying the separate categories of income, use the applicable AMT rate instead of the regular tax rate to determine if any income is "high-taxed."

Step 2. If you figured your 2004 AMTFC using the simplified limitation election, skip Part I and enter on the MTFCE Form 1116, line 16, the same amount you entered on that line for the 2004 AMT Form 1116. Otherwise, complete Part I using only taxable income and exclusion items that are attributable to sources outside the United States. If you had any 2004 foreign source qualified dividends or foreign source capital gains (including any foreign source capital gains distributions) or losses, you may use the instructions under Step 3 to determine whether you must make adjustments to those amounts before you include the amounts on line 1 or line 5 of the MTFCE Form 1116. If you choose not to follow the instructions under Step 3, see sections 1(h)(1)(C)(iv) and 904(b)(2) to determine the adjustments you must make.

Step 3. Follow the instructions below, if applicable, to determine the amount of foreign source qualified dividends, capital gain distributions, and other capital gains and losses to include on line 1 and line 5 of the MTFCE Form 1116.

Foreign qualified dividends. You must adjust your foreign source qualified dividends before you include those amounts on line 1 of the MTFCE Form 1116 if:

- Line 44 of Form 8801 is smaller than line 45, and
 - Line 32 of Form 8801 is greater than zero.
- But you do not need to make any adjustments if:
- You qualified for the adjustment exception under *Qualified Dividends and Capital Gain Tax Worksheet*

(Individuals), *Qualified Dividends Tax Worksheet* (Estates and Trusts), or *Adjustments to foreign qualified dividends under Schedule D Filers*, whichever applies, in the Form 1116 instructions when you completed your regular tax Form 1116 (or you would have qualified for that adjustment exception if you had completed a regular tax Form 1116) for 2004, and

- Line 32 of Form 8801 is not more than \$175,000 (\$87,500 if married filing separately).
- To adjust your foreign source qualified dividends, multiply your foreign source qualified dividends in each separate category by 0.5357. Include the results on line 1 of the applicable MTFCE Form 1116. But do not adjust the amount of any foreign source qualified dividend you elected to include on line 4g of Form 4952.

Individuals with capital gain distributions only. If you had no 2004 capital gains or losses other than capital gain distributions from box 2a of Form(s) 1099-DIV or substitute statement(s), you must adjust your foreign source capital gain distributions before you include those amounts on line 1 of the MTFCE Form 1116 if you are required to adjust your foreign source qualified dividends under the rules just described or you would be required to adjust your foreign source qualified dividends if you had any.

To adjust your foreign source capital gain distributions, multiply your foreign source capital gain distributions in each separate category by 0.5357. Include the results on line 1 of the applicable MTFCE Form 1116. But do not adjust the amount of any foreign source capital gain distribution you elected to include on line 4g of Form 4952.

Other capital gains or losses. Use *Worksheet A* in the instructions for the 2004 Form 1116 to determine the adjustments you must make to your foreign source capital gains or losses if you have foreign source capital gains and losses in no more than two separate categories and one of the following applies:

- You figured your 2004 tax using the *Qualified Dividends and Capital Gain Tax Worksheet* in the Form 1040 instructions and line 3 of that worksheet minus the amount on line 4e of Form 4952 that you elected to include on line 4g of Form 4952 is zero or less.
- Line 15 or 16 of your 2004 Schedule D (Form 1040) (line 14a or 15 of Schedule D (Form 1041)) is zero or a loss.

• You figured your 2004 tax using Schedule D (Form 1041) and line 18 of Schedule D minus the amount on line 4e of Form 4952 that you elected to include on line 4g of Form 4952 is zero or less.

• You figured your 2004 tax using the Schedule D Tax Worksheet in the Schedule D (Form 1040) instructions or in the Form 1041 instructions and line 9 of that worksheet is zero or a loss.

• You were not required to make adjustments to your foreign source qualified dividends under the rules described above (or you would not have been required to make those adjustments if you had foreign source qualified dividends).

Use *Worksheet B* if you:

- Cannot use *Worksheet A*.
- Had 2004 foreign source capital gains and losses in no more than two separate categories, and
- Did not have any item of unrecaptured section 1250 gain or 28% rate gain or loss.

Instructions for Worksheets A and B. When you complete *Worksheet A* or *Worksheet B*, do not use any foreign source capital gains you elected to include on line 4g of Form 4952. Use 0.5357 instead of 0.4286 to complete lines 11, 13, and 15 of *Worksheet B* and to complete Steps 4 and 5 of the Line 15 Worksheet for *Worksheet B*.

If you do not qualify to use *Worksheet A* or *Worksheet B*, use the instructions for *Capital Gains and Losses* in Pub. 514 to determine the adjustments you make.

Step 4. Complete lines 9 through 13 of the MTFCE Form 1116. For line 9, use the same amount you entered on that line for 2004 for this regular tax. Use your MTFCE carryover, if any, on line 10.

Step 5. If you did not figure your 2004 AMTFC using the simplified limitation election, complete lines 14 through 16 of the MTFCE Form 1116.

Step 6. If you did not complete Part III of Form 8801, enter the amount from Form 8801, line 4, on line 17 of the MTFCE Form 1116 and go to Step 7. If you completed Part III of Form 8801, you must complete, for the MTFCE, the *Worksheet for Line 17* in the Form 1116 instructions to determine the amount to enter on line 17 of the MTFCE Form 1116 if:

- Line 44 of Form 8801 is smaller than line 45, and
- Line 32 of Form 8801 is greater than zero.

But you do not need to complete the *Worksheet for Line 17* if:

- You qualified for the adjustment exception under *Qualified Dividends and Capital Gain Tax Worksheet* (Individuals), *Qualified Dividends Tax Worksheet* (Estates and Trusts), or *Adjustments to foreign qualified dividends under Schedule D Filers*, whichever applies, in the Form 1116 instructions when you completed your regular tax Form 1116 (or you would have qualified for that adjustment exception if you had completed a regular tax Form 1116) for 2004, and
- Line 32 of Form 8801 is not more than \$175,000 (\$87,500 if married filing separately).

If you do not need to complete the *Worksheet for Line 17*, enter the amount from line 4 of Form 8801 on line 17 of the MTFCE Form 1116.

Instructions for MTFCE Worksheet for Line 17.

Follow these steps to complete, for the MTFCE, the *Worksheet for Line 17* in the Form 1116 instructions.

1. Enter the amount from Form 8801, line 4, on line 1 of the worksheet.
2. Skip lines 2 and 3 of the worksheet.
3. Enter the amount from Form 8801, line 42, on line 4 of the worksheet.

4. Multiply line 4 of the worksheet by 0.1071 (instead of 0.2857). Enter the result on line 5 of the worksheet.
5. Enter the amount from Form 8801, line 40, on line 6 of the worksheet.
6. Multiply line 6 of the worksheet by 0.4543 (instead of 0.5714). Enter the result on line 7 of the worksheet.
7. Complete lines 8 and 9 of the worksheet as instructed on the worksheet.

Step 7. Enter the amount from Form 8801, line 11, on the MTFCE Form 1116, line 19. Complete lines 18, 20, and 21 of the MTFCE Form 1116.

Step 8. Complete Part IV of the first MTFCE Form 1116 only. Enter the amount from the MTFCE Form 1116, line 33, on Form 8801, line 12.

Step 9. Keep all Forms 1116 you used to figure your MTFCE, but do not attach them to your tax return. If line 13 of the MTFCE Form 1116 is greater than line 20 of the MTFCE Form 1116, keep a record of the difference. This amount is carried forward and used to figure your MTFCE next year.

Line 20

Enter the total of any nonconventional source fuel credit and qualified electric vehicle credit not allowed for 2004 solely because of the limitations under sections 29(a)(6)(B) and 30(b)(3)(B).

Line 21

If line 21 is zero or less, you do not have a minimum tax credit or a minimum tax credit carryforward. Do not complete the rest of this form and do not file it.

Line 22

Follow the instructions below and refer to your 2005 income tax return to figure the amount to enter on line 22.

Form 1040. Subtract from the amount on line 44 the total of any credits on lines 47 through 55 (not including any credit for prior year minimum tax). If the result is zero or less, enter -0-.

Form 1040NR. Subtract from the amount on line 41 the total of any credits on lines 44 through 50 (not including any credit for prior year minimum tax). If the result is zero or less, enter -0-.

Form 1041, Schedule G. Subtract the total of any credits on lines 2a through 2c from the sum of lines 1a and 1b. If the result is zero or less, enter -0-.

Part III—Tax Computation Using Maximum Capital Gains Rates

If your 2004 taxable income was zero or less, complete lines 2 through 6 of the 2004 *Qualified Dividends and Capital Gain Tax Worksheet*, lines 18 through 22 of the 2004 *Schedule D (Form 1041)*, or lines 2 through 13 of the 2004 *Schedule D Tax Worksheet*, whichever applies, before completing Part III.

Estates and trusts. If you figured your 2004 tax using the Qualified Dividends Tax Worksheet in the Form 1041 instructions, enter the amount from line 4 of that worksheet on Form 8801, lines 28 and 30; skip Form 8801, line 29; and enter on Form 8801, line 35, the amount from line 5 of that worksheet.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of

any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping 2 hr., 4 min.
Learning about the law or the form 1 hr., 48 min.
Preparing the form 1 hr., 36 min.
Copying, assembling, and sending the form to the IRS 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Form 8814

Department of the Treasury
Internal Revenue Service

Parents' Election To Report Child's Interest and Dividends

▶ See instructions.
▶ Attach to parents' Form 1040 or Form 1040NR.

OMB No 1545-0074
2005
Attachment
Sequence No. 40

Name(s) shown on your return

Your social security number

Caution. The federal income tax on your child's income, including qualified dividends and capital gain distributions, may be less if you file a separate tax return for the child instead of making this election. This is because you cannot take certain tax benefits that your child could take on his or her own return. For details, see **Tax benefits you may not take** on page 2.

A Child's name (first, initial, and last)

B Child's social security number

C If more than one Form 8814 is attached, check here. ▶

Part I Child's Interest and Dividends To Report on Your Return

1a Enter your child's **taxable interest**. If this amount is different from the amounts shown on the child's Forms 1099-INT and 1099-DIV, see the instructions.

1b Enter your child's **tax-exempt interest**. Do **not** include this amount on line 1a.

2 Enter your child's ordinary dividends, including any Alaska Permanent Fund dividends. If your child received any ordinary dividends as a nominee, see the instructions.

3 Enter your child's capital gain distributions. If your child received any capital gain distributions as a nominee, see the instructions.

4 Add lines 1a, 2, and 3. If the total is \$1,600 or less, skip lines 5 and 6 and go to line 7. If the total is \$8,000 or more, **do not** file this form. Your child **must** file his or her own return to report the income.

5 Base amount

6 Subtract line 5 from line 4. See the instructions for where to report this amount. Go to line 7 below.

Part II Tax on the First \$1,600 of Child's Interest and Dividends

7 Amount not taxed

8 Subtract line 7 from line 4. If the result is zero or less, enter -0-

9 **Tax.** Is the amount on line 8 less than \$800?
☐ **No.** Enter \$80 here and see the **Note** below.
☐ **Yes.** Multiply line 8 by 10% (10). Enter the result here and see the **Note** below.

Note. If you checked the box on line C above, see the instructions. Otherwise, include the amount from line 9 in the tax you enter on Form 1040, line 44, or Form 1040NR, line 41. Be sure to check box a on Form 1040, line 44, or Form 1040NR, line 41.

For Paperwork Reduction Act Notice, see page 3.

Cat. No 10750J

Form 8814 (2005)

General Instructions

Purpose of form. Use this form if you elect to report your child's income on your return. If you do, your child will not have to file a return. You can make this election if your child meets all of the following conditions:

- The child was under age 14 at the end of 2005. A child born on January 1, 1992, is considered to be age 14 at the end of 2005.
- The child's only income was from interest and dividends, including capital gain distributions and Alaska Permanent Fund dividends.
- The child's gross income for 2005 was less than \$8,000.

- The child is required to file a 2005 return.
- There were no estimated tax payments for the child for 2005 (including any overpayment of tax from his or her 2004 return applied to 2005 estimated tax).
- There was no federal income tax withheld from the child's income.

You must also qualify. See **Parents who qualify to make the election** below.

How to make the election. To make the election, complete and attach Form 8814 to your tax return and file your return by the due date (including extensions). A separate Form 8814 must be filed for each child whose income you choose to report.

Parents who qualify to make the election. You qualify to make this election if you file Form 1040 or Form 1040NR and any of the following apply:

- You are filing a joint return for 2005 with the child's other parent.
- You and the child's other parent were married to each other but file separate returns for 2005 and you had the higher taxable income.
- You were unmarried, treated as unmarried for federal income tax purposes, or separated from the child's other parent by a divorce or separate maintenance decree. The child must have lived with you for most of the year (you were the custodial parent). If you were the custodial parent and you remained, you may make the election on a joint return with your new spouse. But if you and your new spouse do not file a joint return, you qualify to make the election only if you had higher taxable income than your new spouse.

Note. If you and the child's other parent were not married but lived together during the year with the child, you qualify to make the election only if you are the parent with the higher taxable income.

Tax benefits you may not take. If you elect to report your child's income on

your return, you may not take any of the following deductions that your child could take on his or her own return:

- Standard deduction of \$2,050 for a blind child.
- Penalty on early withdrawal of child's savings.
- Itemized deductions such as child's investment expenses or charitable contributions.

If your child received qualified dividends or capital gain distributions, you may pay up to \$4,000 more tax if you make this election instead of filing a separate tax return for the child. This is because the tax rate on the child's income between \$800 and \$1,600 is 10% if you make this election. However, if you file a separate return for the child, the tax rate may be as low as 5% because of the preferential tax rates for qualified dividends and capital gain distributions.

If any of the above apply to your child, first figure the tax on your child's income as if he or she is filing a return. Next, figure the tax, as if you are electing to report your child's income on your return. Then, compare the methods to determine which results in the lower tax.

Alternative minimum tax. If your child received tax-exempt interest (or exempt-interest dividends paid by a regulated investment company), you must take this into account in determining if you owe the alternative minimum tax. See Form 6251, **Alternative Minimum Tax—Individuals**, and its instructions for details.

Investment interest expense. Your child's income (other than qualified dividends and Alaska Permanent Fund dividends and capital gain distributions) that you report on your return is considered to be your investment income for purposes of figuring your investment interest expense deduction. If your child received qualified dividends, Alaska Permanent Fund dividends, or capital gain distributions, see Pub. 550, **Investment Income and Expenses**, to figure the amount you may treat as your investment income.

Foreign accounts and trusts. Complete Schedule B (Form 1040), Part III, for your child if he or she (a) had a foreign financial account or (b) received a distribution from, or was the grantor of, or transferor to, a foreign trust. If you answer "Yes" to either question, you must file this Schedule B with your return. Enter "Form 8814" next to line 7a or line 8, whichever applies. Also, complete line 7b if applicable.

Change of address. If your child filed a return for a previous year and the address shown on the last return filed is not your child's current address, be sure

to notify the IRS, in writing, of the new address. To do this, you may use Form 8822, **Change of Address**.

Additional information. See Pub. 929, **Tax Rules for Children and Dependents**, for more details.

Line Instructions

Name and social security number. If filing a joint return, include your spouse's name but enter the social security number of the person whose name is shown first on the return.

Line 1a. Enter all taxable interest income received by your child in 2005. If your child received a Form 1099-INT for tax-exempt interest, such as from municipal bonds, enter the amount and "Tax-exempt interest" on the dotted line next to line 1a. Do not include this interest in the total for line 1a but be sure to include it on line 1b.

If your child received, as a nominee, interest that actually belongs to another person, enter the amount and "ND" (for nominee distribution) on the dotted line next to line 1a. Do not include amounts received as a nominee in the total for line 1a.

If your child had accrued interest that was paid to the seller of a bond, amortizable bond premium (ABP) allowed as a reduction to interest income, or if any original issue discount (OID) is less than the amount shown on your child's Form 1099-OID, enter the nontaxable amount on the dotted line next to line 1a and "Accrued interest," "ABP adjustment," or "OID adjustment," whichever applies. Do not include any nontaxable amounts in the total for line 1a.

Line 1b. If your child received any tax-exempt interest income, such as from certain state and municipal bonds, exempt-interest dividends your child received as a shareholder in a mutual fund or other regulated investment company.

Note. If line 1b includes tax-exempt interest or exempt-interest dividends paid by a regulated investment company from private activity bonds, see **Alternative minimum tax** on this page.

Line 2. Enter the ordinary dividends received by your child in 2005. Ordinary dividends should be shown in box 1a of Form 1099-DIV. Also, include ordinary dividends your child received through a partnership, an S corporation, or an estate or trust.

If your child received, as a nominee, ordinary dividends that actually belong to another person, enter the amount and "ND" on the dotted line next to line 2. Do not include amounts received as a nominee in the total for line 2.

(continued)

Line 3. Enter the capital gain distributions received by your child in 2005. Capital gain distributions should be shown in box 2a of Form 1099-DIV.

If your child received, as a nominee, capital gain distributions that actually belong to another person, enter the amount and "ND" on the dotted line next to line 3. Do not include amounts received as a nominee in the total for line 3.

Line 6. If qualified dividends are included in the amount on line 2 or if you entered an amount on line 3, use the worksheet below to figure the amount to enter on line 6 and the amount to add to your income as:

- Qualified dividends on Form 1040, lines 9a and 9b, or Form 1040NR, lines 10a and 10b, or
- Capital gain distributions on Schedule D, line 13 or, if you are not required to file Schedule D, on Form 1040, line 13, or Form 1040NR, line 14.

The worksheet is needed to divide the \$1,600 base amount on line 5 among your child's qualified dividends, capital gain distributions, and other interest and dividend income.

If any of the child's capital gain distributions were reported on Form 1099-DIV as unreaptured section 1250 gain, section 1202 gain, or collectibles (28%) gain, see Pub. 929 for details on the amount to report on Schedule D. Include the amount from Form 8814, line 6, in the total on Form 1040, line 21, or Form 1040NR, line 21, whichever applies. Enter "Form 8814" and the amount in the space next to line 21. If you checked the box on line C, add the amounts from line 6 of all your Forms 8814. Enter "Form 8814" and the total of the line 6 amounts in the space next to line 21.

Line 9. If you checked the box on line C, add the amounts from line 9 of all your Forms 8814. Include the total on Form 1040, line 44, or Form 1040NR, line 41. Be sure to check box a on that line.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to

ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Child's Qualified Dividends and Capital Gain Distributions Worksheet—Line 6

(Keep for your records)

1.	Enter the amount of qualified dividends included on Form 8814, line 2	1.	
2.	Enter the amount from Form 8814, line 3	2.	
3.	Enter the amount from Form 8814, line 4	3.	
4.	Divide line 1 by line 3. Enter the result as a decimal (rounded to at least three places)	4.	
5.	Divide line 2 by line 3. Enter the result as a decimal (rounded to at least three places)	5.	
6.	Base amount	6.	\$1,600
7.	Subtract line 6 from line 3	7.	
8.	Multiply line 7 by line 4. Include this amount on Form 1040, lines 9a and 9b, or Form 1040NR, lines 10a and 10b. On the dotted lines next to those lines, enter "Form 8814" and this amount (unless you file Schedule B (Form 1040) in that case, follow the instructions in the Note on this line). Also, enter "QD" for "qualified dividends" and this amount on the dotted line next to line 6 of Form 8814. Note. If this amount plus the parents' dividends is more than \$1,500, report this amount on Schedule B (Form 1040). Show it as from "Form 8814"	8.	
9.	Multiply line 7 by line 5. Include this amount on Schedule D, line 13, Form 1040, line 13, or Form 1040NR, line 14. Enter "Form 8814" and this amount on the dotted line next to line 13 of Schedule D or in the space to the left of line 13 of Form 1040 or line 14 of Form 1040NR. Also, enter "CGD" for "capital gain distribution" and this amount on the dotted line next to line 6 of Form 8814	9.	
10.	Add lines 8 and 9	10.	
11.	Subtract line 10 from line 7. Enter the result here and on Form 8814, line 6	11.	

Section 6

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Income 1.4

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taxable income 3.1	Tax rates
	(See Income tax withheld)
Tax items	Tax withheld
(See also specific type)	(See Income tax withheld)
Classified by:	Tax-exempt interest
Accumulated size of adjusted gross	Classified by:
Income 1.1	Marital status 1.3
Marital status 1.3	Size of adjusted gross income 1.4
Size of adjusted gross income.... 1.2, 1.4, 3.3	Definition pg 145
1979 income concept B	Reported on:
Reported on:	Returns with itemized deductions 2.1
Returns with modified taxable income ... 3.1	Classified by marital status 2.2
Returns with itemized deductions 2.1	Time series, 2001-2005 A
Classified by marital status 2.2	
Time series, 2001-2005 A	Taxable income
	Classified by:
Tax liability	Accumulated size of adjusted gross
Classified by:	Income 1.1
Marital status 1.3	Marital status 1.2, 1.3
Size of adjusted gross income 3.3	Size of AGI 1.1, 1.2, 1.4, 3.5
Reported on:	1979 income concept B
Returns with itemized deductions	Tax generated at specific rate 3.5
Classified by marital status 2.2	Definition pg 146
Time series, 2001-2005 A	Reported on:
	Returns with itemized deductions 2.1
Tax payments	Classified by marital status 2.2
(See also specific type)	Time series, 2001-2005 A
Classified by:	Taxable interest
Marital status 1.3	Classified by:
Size of adjusted gross income 3.3	Marital status 1.3
Definition pg 145	Size of adjusted gross income 1.4
Reported on:	

1979 income concept	B
Definition	pg 146
Reported on:	
Returns with itemized deductions	2.1
Classified by marital status	2.2
Time series, 2001-2005	A

Taxable IRA

(See Individual retirement arrangement (IRA) taxable distributions)

Taxable pensions and annuities

(See Pensions and annuities)

Time series, 2001-2005	A
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Taxable returns

(See also Nontaxable returns)

Classified by:	
Accumulated size of AGI	1.1
Size of adjusted gross	
Income	1.1, 1.2, 1.4, 2.3, 3.3
Reported on:	
Returns with itemized deductions	2.1

Taxable social security

Time series, 2001-2005	A
------------------------------	---

Taxes paid deduction

Classified by marital status	1.3
Definition	pg 146
Reported on:	
Returns with itemized deductions	2.1
Classified by marital status	2.2
Type of taxes paid deduction	2.1

Total credits

(See also Tax credits and total tax credits)

Time series, 2001-2005	A
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Total income

Definition	pg 146
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Total income, net gain less loss

Time series, 2001-2005	A
------------------------------	---

Total income tax

As percentage of adjusted gross income	3.2
Type of tax computation	3.1
As percentage of taxable income	1.1
Average	1.1
Type of tax computation	3.1
Classified by:	
Accumulated size of adjusted	
gross income	1.1
Each rate at which tax was computed	3.6
Marital status	1.2, 1.3
Number of exemptions	2.4
Size of adjusted gross	
income	1.1, 1.2, 2.1, 3.2, 3.3
1979 income concept	B
Type of exemption	2.3
Definition	pg 146
Reported on:	
Returns with earned income credit	2.5
Returns with itemized deductions	2.1
Classified by marital status	2.2
Returns with modified taxable income ...	3.1

Total itemized deductions

Classified by:	
Marital status	1.2, 1.3
Size of adjusted gross income	1.2, 1.4
1979 income concept	B
Definition	pg 147
Reported on:	
Returns with itemized deductions	2.1
Classified by marital status	2.2
Limitation reported on:	
Returns with itemized deductions	2.1
Classified by marital status	2.2
Time series, 2001-2005	A
Type of deduction	2.1

Total miscellaneous deductions

(See miscellaneous deductions)

Total payments

Time series, 2001-2005	A
------------------------------	---

Total rent and royalty income or loss

Definition pg 147
 Classified by:
 Size of adjusted gross income..... 1.4

Total standard deduction

(See Standard deduction)

Time series, 2001-2005 A

Total statutory adjustments

(See Statutory adjustments)

Time series, 2001-2005 A

Total tax credits

(See Tax credits)

Definition pg 147

Total tax liability

(See Tax liability)

Definition pg 148

Tuition and fees deduction

Classified by:

 Marital status 1.3

 Reported on:

 Returns with itemized deductions

 Classified by marital status..... 2.2

 Size of adjusted gross income..... 1.4

Definitionpg 148

Time series, 2001-2005A

Type of tax computation

Classified by size of adjusted gross

 Income 3.1

Definition pg 148

U**Unemployment compensation**

Classified by:

 Marital status 1.3

 Size of adjusted gross income 1.4

Definition pg 148

Reported on:

 Returns with itemized deductions 2.1

 Classified by marital status 2.2

Time series, 2001-2005 A

Unreimbursed employee business expense

(See also Miscellaneous itemized deductions and employee business expense)

Definition pg 149

Reported on returns with itemized

 Deductions 2.1

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